

F.O.I.A.

JULIUS ROSENBERG ET AL.

FILE DESCRIPTION

HQ

FILE

SUBJECT Silvermaster

FILE NO. 65-56402

*Horowitz
nickel
white*

VOLUME NO. 22

SERIALS

491

Condor

560

190

cc - Mr. Ladd
Mr. Tolson

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

February 18, 1946

RECORDED

INDEXED

65-56402-492

Lieutenant General Hoyt S. Vandenberg
Assistant Chief of Staff
G-2, War Department
Washington, D. C.

Set 22

93873

Dear General Vandenberg:

With reference to our conversation today regarding William Ludwig Ullmann, there is attached a memorandum containing data furnished regarding him by our informant "Gregory" together with additional information.

CONF. INFT.

Sincerely yours,

John Edgar Hoover
Director

Enclosure

DECLASSIFIED BY SP6 bja
ON 9/5/83 101

3042 put/DJC
2/2/88

Personally delivered
to G-2 2/18/46 sub

RECEIVED
FEB 13 5 11 PM '46

[Handwritten signature]

- T. Tolson _____
- E. A. Tamm _____
- Clegg _____
- F. Glavin _____
- F. Ladd _____
- F. Nichols _____
- F. Rosen _____
- F. Tracy _____
- F. Carson _____
- F. Egan _____
- F. Gurnea _____
- F. Harbo _____
- F. Hendon _____
- F. Pennington _____
- F. Quinn Tamm _____
- F. Nease _____
- Gandy _____

7/1946 (5)

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TOP SECRET

~~CONFIDENTIAL~~

DECLASSIFIED BY *[Signature]* 12, 1946

WILLIAM LUDWIG ULLMANN
Also known as WILLIAM LUDWIG ULLMAN

Allegations of Gregory

93874

Gregory advised that William Ludwig Ullmann lived at the Silvermaster home in 1941. Gregory stated that both Ullmann and Silvermaster gave him material to be transmitted through Golos to the Russians. It is noted that Golos was a Soviet agent who died November 27, 1943, and who prior to that time was a contact of Gregory. Gregory advised that the material was varied in nature and appeared to have been secured by both Ullmann and Silvermaster through their hearing discussions among government officials and employees as well as through their reading of various documents and writings.

Gregory advised that in the fall of 1942 Ullmann was also living with the Silvermasters and at that time both Ullmann and Silvermaster brought documents to the Silvermaster home which they apparently had secured from government files to which they had access. Ullmann also obtained a camera and became quite proficient in document photography. Most of the documents brought to the Silvermaster home by Ullmann and Silvermaster were photographed on microfilm, most of which was supplied by Golos. Gregory advised that complete equipment for photographing and enlarging was maintained in the basement of the Silvermaster residence.

Gregory advised that sometime in the fall of 1942 it appeared that Ullmann would be inducted into the armed services and there was considerable discussion at that time on the part of Silvermaster and Ullmann as to which branch of service would be most advantageous. Eventually, Gregory advised that Ullmann entered the Army as a private and was finally promoted to a Captain in the Air Corps. Later he was assigned to the Pentagon Building after which he resumed his residence with the Silvermaster family.

Gregory advised that from the latter part of 1942 through the early part of 1943 from remarks made by Silvermaster, his wife and Ullmann, it appeared that Harry Dexter White, present Assistant Secretary of the Treasury, was supplying them information consisting of documents presumably obtained by White in the course of his duties in the Treasury Department. Gregory advised that some of these documents were delivered to the Silvermaster residence by either Ullmann or Silverman, both of whom received material from White. It is noted that Silverman refers to George Silverman who at this time was employed as a Chief Production Specialist, Material Division, Army Air Forces, and was assigned to the Pentagon Building. Silverman is also a subject in this case.

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165-56402-49

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~~CONFIDENTIAL~~

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~~CONFIDENTIAL~~

93875

Gregory advised that the written material being supplied to both Ullmann and Silverman by White consisted of reports of varied nature concerning the financial activities of the United States Government, particularly as they related to foreign commitments. There were also various memoranda and reports from other governmental departments and agencies. Most of these papers were photographed in the Silvermaster home. Gregory advised that late in the summer of 1943 a steadily increasing volume of material was obtained by Ullmann and Silverman, that this material was photographed in the Silvermaster home and thereafter Gregory turned it over to Coles in the form of undeveloped negatives. Gregory stated that about this time Ullmann stopped developing photographs and merely made undeveloped negatives. Gregory stated that because he was only furnished with undeveloped negatives to transmit to Coles, it was not possible to actually see what was on the negatives. However, from overhearing conversations between Ullmann, Silverman, Mr. and Mrs. Silvermaster, Gregory believes the material photographed included data on aircraft production figures, allocation and deployment of aircraft, results of tests of aircraft, reports on the efficiency of particular types of airplanes, technological developments in aircraft manufacture, statistics regarding high octane aviation gasoline, personal data concerning important air force officers, opinions of aircraft personnel on other nations, army gossip, all pertinent developments concerning the planning, construction and actual completion of the B-29 and the proposed movements of these planes when they were completed, data concerning the approximate schedule of D-Day, copies of directives issued by General Marshall and information concerning production, allocation and development of tanks, guns and motorized equipment. Almost every conceivable type of information relating to the air forces' part in the war was included. Gregory stated that a considerable volume of this material was brought to the Silvermaster home in its original form, that is the documents themselves.

Gregory stated that at this time both Ullmann and Silverman were stationed in the Pentagon Building and therefore it was not possible to state definitely what information was brought to the Silvermaster home by Ullmann and what information was brought by Silverman. Gregory stated that both Ullmann and Silverman continued to bring documents and papers from the Pentagon Building to the Silvermaster home until at least September, 1944, and the volume of material consistently increased.

Gregory informed that Ullmann was a member of the Communist Party in Washington, D. C.

Background

William Ludwig Ullmann was born August 14, 1908, at Springfield, Missouri. He attended Harvard University from 1926 to 1927, Bryn Mawr College, Springfield, Missouri, from 1927 to 1930, when he received an A.B. degree. He attended Harvard Graduate School--Business Administration from 1930 to 1932 and received an M.B.A. degree.

~~CONFIDENTIAL~~

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Wilmann was first employed by the Federal Government in April of 1935 when he was on the HRA Consumers Advisory Board at Washington, D. C. In June, 1935, he was employed by the Resettlement Administration—Farm Security Administration. In September, 1936, he was employed in the Treasury Department as an Economic Analyst. It is noted that his immediate superior was Harry Dexter White. In February, 1939, he was made Principal Economic Analyst in the Treasury Department. 93876

Wilmann was registered for the draft with Selective Service Board No. 2, Washington, D. C. The records of this Board reflect that on November 9, 1940, a communication was addressed to it by the Treasury Department over the signature of H. D. White (Harry Dexter White) requesting deferment for Wilmann. The records of the Board further reveal that Wilmann entered on active duty April 16, 1943, and he separated from the Army on October 14, 1945, with the rank of Major, Army Air Forces, at Fort George Meade, Maryland. The file indicated he had no dependents and the person to be notified was Nathan Gregory Silvermaster 5515 - 30th Street, Northwest, Washington, D. C. After he left the Army Air Forces on October 14, 1945, he returned to his civilian employment with the United States Treasury Department.

Results of Investigation

Wilmann's regular residence is at the Silvermaster residence, 5515 - 30th Street, Northwest, Washington, D. C., in the basement of which is located certain photographic equipment. He and Silvermaster usually travelled to the Treasury Department Building at Fifteenth and Pennsylvania Avenue each morning in Wilmann's automobile. Wilmann appears to be one of the family at the Silvermaster residence as he has assisted both Silvermaster and his wife in working about the house, cutting the lawn and painting the living room.

Through a physical surveillance conducted on December 2, 1945, it was learned that Wilmann went to Alban Towers, 3700 Massachusetts Avenue, Northwest, Washington, D. C., with Mrs. Helen Silvermaster and Mrs. Elizabeth Sasuly. The latter individual is reliably reported to be a member of the White Cellar Group of the Communist Party.

A highly reliable confidential informant advised that on December 15, 1945, Wilmann was in contact with Dorothy Kaplan, the wife of Irving Kaplan. The purpose of this contact was apparently to advise Dorothy Kaplan that the War Department was going to recall Irving Kaplan to this country very shortly. It is noted that Irving Kaplan is also a subject in this case and has been mentioned by Gregory as being engaged in Russian espionage activity. Q U

On January 15, 1946, a passport was issued to William L. Wilmann for travel to Germany for the Treasury Department and the War Department. On his application Wilmann stated that he had been made available to the War Department by the Treasury Department to travel to Germany for the purpose of coordinating the work of the War and Treasury Departments concerning German financial matters. At the present time Wilmann is in Germany.

CONFIDENTIAL SECTION 88

CONFIDENTIAL

Mr. Tolson
 Mr. Ladd
 Mr. Nichols
 Mr. Rosen
 Mr. Tracy
 Mr. Egan
 Mr. Gurnea
 Mr. Harbo
 Mr. Mohr
 Mr. Winterrowd
 Mr. Tele. Room
 Mr. Holloman
 Miss Gandy

WASHINGTON AND NEW YORK FROM WASHINGTON FIELD

DIRECTOR AND SAC BUREAU

NATHAN GREGOR SILVERMASTER, WAS, ET AL, ESPIONAGE R. CONFIDENTIAL

A SOURCE ADVISED THAT FAY GLASSER, WIFE OF HAROLD GLASSER, DURING A CONVERSATION WITH ISABELLE HUDSON ON JANUARY THIRTYFIRST, IN RESPONSE TO A QUESTION PUT TO HER BY ISABELLE AS TO WHETHER OR NOT HAROLD GLASSER HAD GONE TO THE ORIENT, SAID QUOTE NO THAT VINSON WOULD NOT LET HIM GO SINCE VINSON WANTS HIM, GLASSER, WITH HIM WHICH IS RATHER NICE UNQUOTE VINSON REFERRED TO IS SECRETARY OF [REDACTED] TREASURY. CONFIDENTIAL SOURCE ADVISED THAT BELA GOLD PLANS TO BE IN NEW YORK ONE MONDAY, FEB. FOUR AT ABOUT ONE PM WHERE HE HAS AN APPOINTMENT TO SEE BOB LIND, TELEPHONE TRAFALGAR SEVEN DASH TWO TWO FOUR TWO. NEW YORK REQUESTED TO DETERMINE IDENTITY OF LIND AND INDIVIDUAL TO [REDACTED] WHOM ABOVE TELEPHONE NUMBER IS LISTED. CONFIDENTIAL SOURCE ADVISED THAT DUNCAN C. LEE LEFT WASHINGTON THIS MORNING FOR A VISIT TO CHATAH, VIRGINIA. TO VISIT HIS FATHER [REDACTED] FOR A FEW DAYS. SAME SOURCE ADVISED THAT LEE WAS DISCHARGED FROM THE ARMY ON JANUARY THIRTY LAST. CONFIDENTIAL SOURCE ADVISED THAT DURING CONVERSATION BETWEEN ERNA ROSENBERG, WIFE OF ALLAN ROSENBERG, AND EMILY SCHARFMAN, WIFE OF [REDACTED] ROSENBERG'S LAW PARTNER, THEY DISCUSSED ROSENBERG'S HOPES FOR CLIENTS. MRS. ROSENBERG SAID THAT ALLAN CONSIDERED

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 HOPES THAT TOMMIE
 END PAGE ONE
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 CONFIDENTIAL

197
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CONFIDENTIAL

PAGE TWO

CORCORAN WILL [REDACTED] QUOTE THROW A LOT OF THINGS TO THEM UNQUOTE.
[REDACTED] MRS. ROSENBERG SAID THAT ISADORE LUBIN WAS GOING TO THE WEST
COAST TO GO INTO MOVIE BUSINESS AND THAT THEY [REDACTED] HOPED LUBIN COULD
THROW SOME MOVING PICTURES THEIR WAY. CONFIDENTIAL SOURCE ADVISED THAT
ROSENBERG PLANS TO BE IN NEW YORK CITY [REDACTED] FROM MONDAY TO FRIDAY
NEXT [CONFIDENTIAL SOURCE ALSO ADVISED THAT ABRAHAM GOERGE SILVERMAN
WILL BE IN NEW YORK CITY MONDAY AND WILL STAY UNTIL TUESDAY NE XT.

HOTTEL

WA ACK AND HOLD

NY ACK AND DISC PLEASE

WA WFO 2 3 WASH

NY 33 WFO 2 3 NY

CONFIDENTIAL

Handwritten initials and a checkmark.

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

FROM : D. M. Ladd

SUBJECT: NATHAN GREGORY SILVERMASTER, with aliases,
ESPIONAGE - R

Classified by 30549
 Date 2/25/46
 64101
CONFIDENTIAL

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Beahm
- Miss Gandy

At 10:30 a.m., on February 25, 1946, Special Agent Floyd Jones of the Washington Field Office telephonically advised that at 10:15 a.m., on February 25, 1946, Mrs. Harry Dexter White, the wife of the Assistant Secretary of the Treasury who is a principal subject in this case, while talking with Frances L. Edelstein, a contact of the White's whose name has appeared on a number of occasions in connection with the above investigation, stated that she wanted Edelstein to know "Harry's plans have been frustrated." Mrs. White continued the conversation saying that in view of the frustration of Harry Dexter White's plans, they "would be staying in Washington." Several times during the conversation, Mrs. White told Edelstein that she did not desire to discuss the matter further over the telephone but that she did not intend "to let it get her down."

It is of some interest to note that in connection with Mrs. Harry Dexter White's discussion of this matter with Frances Edelstein, she stated "The capitalistic system is behind it all." No further comments of interest were made in the conversation between Mrs. White and Frances Edelstein.

ACTION:

**ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 5/18/88 BY SP6**

The above is being called to your attention in view of the definite possibility that Mrs. Harry Dexter White, in the above-described conversation, was referring to notification received by Harry Dexter White of the cancellation or impending cancellation of his appointment as one of the two United States delegates on the International Monetary Fund under the Bretton Woods Agreement. Further developments of importance in connection with this case will of course continue to be called to your attention.

DECLASSIFIED BY 3042 fct/ASC
 ON 2/3/88

RECORDED & INDEXED

65-56402-494

FEB 27 1946

I advised A. G. orally re. this. confirm by memo.
 2/25/46

CONFIDENTIAL

memo AG
 2-26-46
 WKH-JH

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CONFIDENTIAL

February 26, 1946

The Attorney General

RECORDED
INDEXED
EX-11

J. Edgar Hoover - Director, Federal Bureau of Investigation

HARRY DEXTER WHITE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 4/5/83 BY Sp6 bja/lot

Confirming our telephone conversation this morning, there is set out below information received from a highly confidential source reflecting the definite possibility that Harry Dexter White has received some notice of the cancellation or impending cancellation of his appointment as one of the two United States delegates in connection with the International Monetary Fund under the Bretton Woods Agreement.

4 64100

At 10:15 a.m. on February 25, 1946, Mrs. Harry Dexter White, the wife of the Assistant Secretary of the Treasury who is a principal subject in the investigation of the Underground Soviet Espionage Organization (U.S.E.O.) in the United States Government, while talking with Frances L. Edelstein, a contact of Mr. and Mrs. White, stated that she wanted Edelstein to know "Harry's plans have been frustrated." In continuing the conversation with Frances Edelstein, Mrs. White stated that in view of this the Whites "would be staying in Washington." Several times during the conversation Mrs. White told Edelstein that she did not desire to discuss the matter further over the telephone but that she did not intend "to let it get her down."

In connection with her discussion of this matter with Frances Edelstein, Mrs. Harry Dexter White also stated, "The capitalistic system is behind it all." There appears to be a definite possibility that Mrs. White in the above-described conversation was referring to notification received by Harry Dexter White of the cancellation or the impending cancellation of his appointment as one of the two United States delegates in connection with the International Monetary Fund.

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Declassify on OADR
6/1/83

DECLASSIFIED BY 3042 fwt/ptc
ON 2/9/88

DECLASSIFIED BY 6080
ON 9/22/77 led/tn

- Tolson _____
- E. A. Tamm _____
- Clegg _____
- Glavin _____
- Ladd _____
- Nichols _____
- Rosen _____
- Tracy _____
- Carson _____
- Egan _____
- Gurnea _____
- Harbo _____
- Hendon _____
- Pennington _____
- Quinn Tamm _____
- Nease _____
- Gandy _____

WHS:LA FROM D. C.
TIME 2:15 pm
DATE 2-25-46
PP-1

CONFIDENTIAL

Handwritten signatures and initials:
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Jes.
Lot
Muller

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FEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

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Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

Deleted under exemption(s) b1 with no segregable material available for release to you.

Information pertained only to a third party with no reference to you or the subject of your request.

Information pertained only to a third party. Your name is listed in the title only.

Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
65-56402-495

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X NO DUPLICATION FEE X
X FOR THIS PAGE X
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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

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WASHINGTON AND NEW YORK 1 FRM WASHINGTON FIELD

DIRECTOR AND SAC URGENT

NATHAN GREGORY SILVERMASTER, WAS ET AL, ESPIONAGE R. CONFIDENTIAL

SOURCE ADVISES FAYE GLASSER AND LUCILLE EZEKYEL DISCUSSED HARRIDAM
DINNER FOR RUSSIAN RELIEF WHICH LUCILLE PLANNED TO ATTEND. FAYE IN-
DICATION BOWEN SMITH AND HIS WIFE, CLAYTON SMITH, HAD A LIST OF FIFTY
TO CALL REGARDING THIS DINNER. SHE SAID BOWEN SMITH HAD BEEN TRANSFERRED
INTO [REDACTED] STATE DEPARTMENT FROM FEA. BOWEN SMITH APPARENTLY
OCCUPIES POSITION IN THIS CASE DESERVING FURTHER CONSIDERATION.

IN PAST ALLAN ROSENBERG HAS INDICATED SMITH WAS BEST MAN IN THE GOVT.
TO PLACE PERSONS IN JAPAN ON BEHALF OF ARMY. ROSENBERG REFERRED
SUMNER MARCUS TO BOWEN SMITH FOR THIS PURPOSE. SUBJECT
ROBERT MILLER LIKEWISE REFERRED MARCUS TO BOWEN SMITH. IT IS
RECALLED BOWEN SMITH DEFENDED DAVID WAHL STAUNCHLY IN
CIVIL SERVICE APPEALS HEARING.

[REDACTED SECTION]

b7D
b7C

CONFIDENTIAL

64095

PAGE TWO

[REDACTED]

b7D
b7C

CONFIDENTIAL

SOURCE ADVISED ON EVENING OF FEB. TWO, LOU GOLDBLATT, WELL KNOWN ILWU ATTORNEY, CONTACTED IRVING KAPLAN. HE INDICATED HE WAS VISITING HARRIE BOUSLOG, LEGISLATIVE REPRESENTATIVE ILWU, THAT NIGHT AND WOULD SEE KAPLAN SUNDAY NIGHT WHICH HE DID. ON THIS DATE, KAPLAN AND GOLDBLATT HAD LUNCHEON AT RALEIGH HOTEL WHERE GOLDBLATT IS REGISTERED. TOGETHER WITH THIRD MAN TENTATIVELY IDENTIFIED AS SUBJECT GEORGE PERAZICH. SURVEILLANCE MADE COVERING THIS LUNCHEON. CONFIDENTIAL SOURCE ADVISED ON THIS DATE DUNCAN LEE CONTACTED COLONEL OLEY DOERING, PHONETIC, RECTOR TWO FOUR ONE NAUGHT NAUGHT NEW YORK CITY., DISCUSSING FACT LEE WILL VISIT NEW YORK, PROBABLY MONDAY NEXT. LEE INDICATED HE PRINCIPALLY DESIRED TO SEE DOERING, ED, THE GENERAL AND HIS FRIENDS, ONE PEPPER, PHONETIC, AND SO ON. DOERING SAID HE DID NOT KNOW WHETHER THEY WOULD BE AROUND ON LINCOLNS BIRTHDAY, BUT WOULD INQUIRE AND ADVISE LEE. DOERING INDICATED HE WAS HAVING KEITELBAUM AND TED HOPE, BOTH PHONETIC, LOOK OVER THAT THING. LEE SAID FINE AND INDICATED HE WOULD STAY MOST OF NEXT WEEK. APPARENTLY ONE

471

END PAGE TWO

CONFIDENTIAL

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64096 ~~CONFIDENTIAL~~

PAGE THREE

PAUL MAY ACCOMPANY LEE. CONFIDENTIAL SOURCE ADVISED RESENBERG INDICATED TO HIS WIFE THAT SHE COULD REACH HIM IN CARE OF JESSIES.

HE GAVE HER OFFICE ADDRESS ONE FIVE PARK ROW AND HOME ADDRESS ONE ONE NAUGHT WEST EIGHT SIX STREET. ON PAST SUNDAY EVENING, FEB. THIRD, ROSENBERGS GAVE SMALL DINNER. INVITED GUESTS INCLUDING BOWEN SMITH CARL GREEN, DAVID WAHL AND THE GIRTLERS.

RENA ROSEMBERG STATED GIRTLER WORKS FOR FEA UNDER BOWEN SMITH AND IS VERY WEALTHY. HIS WIFE IS A MEMBER OF THE R. H. MACY-STRAUS FAMILY. MRS. ROSENBERG LIKED THEM BOTH.

b1

SILVERMASTER AND WIFE SURVEILLED FROM HOME. THEY PORCEDED TO RESIDENCE OF DR. EDWARD UHLER CONDON, AND MRS. EMILY CONDON ACCOMPANIED SILVERMASTERS TO THE DINNER. DR. CONDON IS WELL KNOWN PHYSICIST AND WESTINGHOUSE RESEARCH SCIENTIST WHO WAS SUBJECT OF INFORMATION CONCERNING CASE, PITTSBURGH ORIGIN. CONFIDENTIAL SOURCE ADVISES

b1

(c) [signature]

END PAGE THREE

~~CONFIDENTIAL~~

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CONFIDENTIAL

F-64097

PAGE FOUR

(c) b1c

Joseph

[REDACTED] CONFIDENTIAL SOURCE ADVISES ANNE WHITE HAD PARTY EVENING FEB. THIRD ATTENDED BY JOE DOUBOIS AND WIFE, AND THE BERNARD BERNSTEINS. ANNE REFERRED TO A PARTY ON SATURDAY NIGHT, INDICATING THEY HAD A WONDERFUL TIME AND [REDACTED] TALKED RUSSIAN. SHE INDICATED AT THIS PARTY THE PRESSMANS, PHONETIC CAME [REDACTED] DOWN. THE PRESSMANS HAVE JUST BEEN TO RUSSIAN AND HAD A GREAT [REDACTED] DEAL TO [REDACTED] TALK ABOUT. MRS. HERBIE PRESSMAN, PHONETIC, KNOWS VERY LITTLE ENGLISH AFTER TWO YEARS HERE ACCORDING TO MRS. WHITE. MRS. WHITE ADVISED SHE RECIEVED CALL FROM MRS. BOARDMAN HARRIMAN INVITING HER TO LUNCH FEB. FOUR, WHICH [REDACTED] DECLINED AND MRS. FRANCES EDELSTEIN AGREED THAT [REDACTED] MRS. HARRIMAN STOOD IN NO RELATION TO THEM. FRANCES STATED MRS. HARRIMAN MAY HAVE BEEN USEFUL TO RUSSIA AT ONE TIME AND MAY BE USEFUL TODAY, BUT SHE SAW NO POINT IN ATTENDING THE DINNER AT THE COST OF FOURTEEN DOLLARS.

Herb (3)

42

MOTTEL

END

ACK IN ORDER PLS

WA NY PLS HOLD FOR BUREAU

WFO R2-3 WA

WFO PLS RECHECK NUMBERS

SHOULD BE 3-4

NY WFO R1 NY

CONFIDENTIAL

cc: mawhite

Office Memorandum • 178 UNITED STATES GOVERNMENT

DATE: February 21, 1946

TO : The Director

FROM : D. M. Ladd

SUBJECT: JOHN HAZARD REYNOLDS

64093

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Beahm
- Miss Gandy

As you will recall, Lieutenant General Hoyt S. Vandenberg was recently furnished a memorandum relating to the activities of William Ludwig Ullmann in the case entitled, "Nathan Gregory Silvermaster, was, et al; Espionage - R."

Inasmuch as John Hazard Reynolds has also figured prominently in this investigation, is a Lieutenant Colonel in the Finance Department of the United States Army, and is also reported to be in line to receive the order of the Legion of Merit, it is thought that you might desire to furnish General Vandenberg with the attached memorandum regarding Reynolds' activity in the Silvermaster case. There is attached, subject to your approval, a letter to General Vandenberg forwarding him a copy of the attached memorandum.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/83 BY SP6 BJA/EL

Enclosure.

RAC:WMJ

3042 put/BSC
2/4/88

EX-16

RECORDED

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32 FEB 26 1946

94-10509

- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Mr. Carson _____
- Mr. Egan _____
- Mr. Gurnea _____
- Mr. Harbo _____
- Mr. Hendon _____
- Mr. Pennington _____
- Mr. Quinn Tamm _____
- Mr. Nease _____
- Miss Gandy _____

CONFIDENTIAL 64092

9:40AM

February 21, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/5/83 BY SP6 DJA/pt

MEMORANDUM FOR MR. TOLSON
MR. TAMM
MR. LADD

I called the Attorney General and he advised he had spoken with Judge Fred Vinson and the President about Harry Dexter White. He advised that Mr. Vinson was interested in the reliability of our information and source and if we could prove the allegations. The Attorney General stated that he told the President we had a tip on White but that this was not made known to Mr. Vinson. The Attorney General stated he felt that the President should personally tell White that he had decided it would be best for him not to serve and meanwhile have someone else in mind. I told the Attorney General I felt it was unwise for White to serve.

3047 out/bk
2/4/88

UNCLASSIFIED BY SP6/STW
3/6/84

I told the Attorney General I would have a memorandum prepared indicating the sources and reliability of our information on White and there was enough available information to reflect his unfitness to handle the position. I told the Attorney General that I saw Drew Pearson the other day and he mentioned that he understood White was mixed up in the Canadian case. I told Pearson that I could make no comment.

The Attorney General mentioned prosecuting White if we had enough proof. I suggested this not be done, and the desirability of removing these persons from the Government was discussed. The Attorney General stated that as soon as he had the list from us, arrangements could be made to remove the people from their present positions in the Government. I told the Attorney General that Mr. Byrnes had mentioned this the other day.

The Attorney General asked if he, Mr. Vinson and I could discuss this matter in the morning and suggested 11am. I told the Attorney General I would be here.

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FBI
19 SEP 1 1948

Classified by SP6 RIG
Declassify on: OADR

file

Very truly yours,
J. Edgar Hoover
Director

CONFIDENTIAL

6C SEP - 21 1948



177
United States Department of Justice
Federal Bureau of Investigation

234 U. S. Court House
Foley Square
New York 7, N. Y.

IN REPLY, PLEASE REFER TO
FILE NO. _____



~~PERSONAL AND CONFIDENTIAL~~

DECLASSIFIED BY SP6 bIA
ON 7/5/83

64091

February 13, 1946

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me 19
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2/4/88
Director, FBI

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R

ABRAHAM BROTHMAN

Dear Sir:

The services of Confidential Informant [redacted] have been utilized in connection with the activities of ABRAHAM BROTHMAN, 401-08 - 42nd Street, Sunnyside, Long Island, New York, telephone IRonsides 6-7769, in the investigation of the above-captioned case. b2 b7D

During the past month this informant has furnished information relative to the movements of BROTHMAN in New York City; also on one occasion furnished information indicating that BROTHMAN was leaving New York City and spending a week in Upper New York State.

Therefore it is suggested that the services of this informant be continued in this investigation.

Very truly yours,

E. E. Conroy
E. E. CONROY,
SAC

FDO'B:RAA
65-14603

RECORDED & INDEXED
65-564024
FEB 24 1946
F B I 49

5-1989

White
FBI

Office Memorandum • UNITED STATES GOVERNMENT

176

TO : MR. EDW. A. TAMM
FROM : Mr. D. M. Ladd
SUBJECT: GEORGE SILVERMAN

DATE: 1/9/46

Call: 10:30 AM

64090

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Miss Gandy

ASAC C. E. Hennrich of Washington Field Office called me this morning with reference to George Silverman who lives at the Garden Towers, the same place where Estinou lives. He is the man who met Gromov at the theater one night and took him home.

Mr. Hennrich stated they have been trying to get an apartment up there with a view to putting in an "M". He said it is shaping up now and it looks like they are going to get one. Mr. Hennrich stated he had never discussed the matter with me for any authority on it but it may be necessary to tell the company this afternoon whether or not they are going to take one. I inquired whether it would be in the place or a contact. He stated it would be in the place - a combination job. He recalled to mind that we already have a "T" on there.

He advised that the Garden Towers apartments are located on 15th Street at 2325 he thought the number was. I told him to go ahead on the assumption that the approval would be given and when I talked to the Director I would obtain this approval. Mr. Hennrich stated it would probably cost about \$85.00 a month, but that it would be worth while trying out for a time.

DML:dmg

50 MAR 7 1946

Mr. Hennrich advised the Director's authorization was obtained for microphone surveillance on above matter

1/9/46 1:24 PM

RECORDED
INDEXED
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/83 BY 306

Re: H. Harry Silverman was told in

Doyle

W. H. Cullen

153

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD
FROM : Mr. E. E. Rosen
SUBJECT: MAURICE HALPERIN

DATE: January 31, 1946

REF: MGC

64067

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

[REDACTED]

[REDACTED]

As you know the Bureau has considerable information on Halperin and particularly information concerning his tie with Soviet espionage.

Referred

[REDACTED]

Attachment

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/83 BY SP6 BJA/PT
3042 pwt/bac 2/4/88

165-56402-499X

RECORDED
EX-102

F B I
32 MAR 1 1946

[Handwritten Signature]

lin
1 ENCL
EX-102

58 MAR 25 1946
[Handwritten initials]

154

Office Memorandum • UNITED STATES GOVERNMENT

64068

TO : MR. D. N. LADD
FROM : Mr. E. G. VITALE
SUBJECT: PERSONAL CONTACTS OF MAURICE HALPERIN

DATE: 2/2/46

Whitcomb
W. J. ...

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Miss Gandy	

[REDACTED]

There are also attached copies of memoranda concerning various individuals on the list. The originals of these memoranda are being furnished to the State Department. It is suggested that the list be filed for possible future reference.

Referred

Attachments

FPG:ems

memo 1/31/46
146

EX-22
EX-22

RECORDED 165-56402-499X
ENCLOSURE
F B I
32 MAR 14 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/10/83 BY SP3 RJA
3042 fwt/btc 2/4/88

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FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

2 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
65-56402-499X enclosures

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X NO DUPLICATION FEE X
X FOR THIS PAGE X
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157

~~CONFIDENTIAL~~

January 22, 1946

64071

~~SECRET~~

Re: JOSE ANTONIO ARZE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/10/83 BY 63749
6/1

Jose Antonio Arze is the leader of the Partido Revolucionario Revolucionario in Bolivia, however, since an attempt to assassinate him in October, 1944, he has resided in New York City and Washington, D. C. He has maintained frequent and close contact with prominent Communist leaders in New York. On September 21, 1945, he left New York for Peru. It was reported that he might possibly perform a survey of the Communist organization.

[REDACTED]

Available information concerning Jose Antonio Arze was furnished to Honorable Adolf A. Berle, Jr., former Assistant Secretary of State by letters dated August 12, 1944 and October 12, 1944, on the subject "Jose Antonio Arze".

Refered

Following the attempt on Arze's life, he came to the United States to receive medical treatment. Information was received that Earl Browder made arrangements for medical treatment for Arze and reportedly stated that "We'll see that all expenses are taken care of." While in New York City, Arze associated with Earl Browder, Frederick W. Field and Dr. Edward A. Sarsky.

EXCLOSURE

RECORDED & INDEXED

FROM
100-30586

165-56402-499X
F 13 I
32 MAR 14 1946
3042 put/PAC 2/14/88
Classified by SP5 RJG
Declassify on: OADR
4/5/83

~~CONFIDENTIAL~~

EX-22



January 22, 1946

MEMORANDUM

64072

Re: DAVID EFRON - summary

An announcement was issued stating that the American Committee for Anti-Nazi Literature, 20 Vesey Street, New York City, was supporting the meeting for "True Americanism" sponsored by the Descendants of the American Revolution, which was to be held on February 20, 1939. A Dr. Efron was to be a speaker at this meeting. 61-7561-257A19 ✓

It is noted that information concerning David Efron, as well as Lombardo Toledano and Bernado Ibanes, is set out in the investigative report of Special Agent Russell E. White dated April 24, 1943, concerning Free World, Incorporated; Free World Association; and "Free World". Copy of the above-mentioned investigative report was furnished to Honorable Adolf A. Berle, Jr., former Assistant Secretary of State, on June 12, 1943.

Information was received that a leaflet published by the Friends of the Abraham Lincoln Brigade and bearing the title "Why the Embargo Against the Spanish Republic Should be Lifted Now" contained a statement made by Dr. David Efron, Professor of Latin American Culture, Sarah Lawrence College, Bronxville, New York. This leaflet advocated participation in the "Lift the Embargo Conference, January 9, in Washington, D. C." and for the participation in the "Lift the Embargo Against the Spanish Republic Week". The above information was received in December, 1938. 61-7559-3416X

Information was received that Lombardo Toledano was instrumental in obtaining the appointment of Dr. David Efron to a position in the International Labor Office. It was reported that Dr. Efron was formerly the Latin American Consultant with the National Planning Association in Washington, D. C., in which position he cooperated closely with Toledano on Latin American affairs. 100-4326-404

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- Hendon _____
- Mumford _____
- Starke _____
- Quinn Tamm _____
- Nease _____
- Gandy _____

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/16/83 BY SP5 KJH

3042 / put - b/c
2/10/88

65-56402-499X
ENCLOSURE

159

January 22, 1946

64073

MEMORANDUM

Re: BERNARDO IBANEZ

8042 *fat/hsc*
2/10/88
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/83 BY *305*

Bernardo Ibanez is a Chilean, who was born on July 12, 1902. He is a professor by profession. He started his teaching in various provincial schools in 1922. In 1927 he joined the Association of Professors and carried on a very active campaign in pursuit of more economic rights and better working conditions for professors. However, in 1938 he was persecuted as an agitator.

Upon the termination of the Government of General Ibanez, he reorganized the Association of Teachers in Chile and became its Secretary General. In 1931 Arturo Alessandri, then President, suspended him as a professor but later exonerated him at the Convention of Professors, which was celebrated in Concepcion in 1933.

In 1935 he contributed to the foundation of the Union of Professors of Chile, which affiliated itself with the general movement of the workers. Later in 1936 he was appointed representative of professors and teachers in the C.T.CH. (Confederacion de Trabajadores de Chile - Confederation of Chilean Workers).

In that same year the C.T.CH. sent him on a tour of America and Europe for the purpose of studying labor conditions. On this trip he held numerous conferences before workers' organizations in Spain, France, Mexico, Uruguay and Argentina.



In this same year he was elected Secretary General of the C.T.CH. in Chile, which position he continues to hold at this date. On March 2, 1941, he was elected as a Deputy in the National Congress, representing the Province of Valparaiso. b7D

Ibanez is known as a staunch Socialist and a student of the social and economic problems of the workers. He is highly regarded by the majority of the leaders of the workers' syndicates, as he continues to make use of every opportunity, seeing more benefits and rights for the working class.

It is noted that information concerning Bernardo Ibanez

65-56402-499X
ENCLOSURE

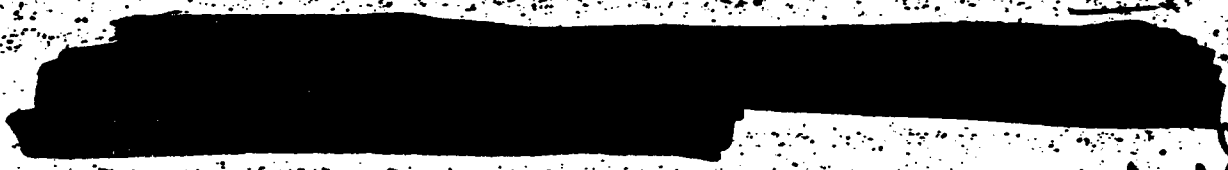
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64074

Re: Bernardo Thomas

was furnished to Honorable Adolf A. Berle, Jr., former Assistant Secretary of State, by letters dated February 29, 1944 and June 23, 1944.



Referred

FFG:ems
64-21886

161

64075 1

January 22, 1946

MEMORANDUM

Re: JIMENES GRULLON Summary

Jimenes Grullon has been for sometime connected with the Dominican Revolutionary Party. Further information concerning Jimenes Grullon and the Dominican Revolutionary Party was furnished to Mr. Frederick B. Lyon, Chief, Division of Foreign Activity Correlation, Department of State, on October 30, 1945.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-18-83 BY SP5 EJP
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2/16/88 vt

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65-56402-499X

ENCLOSURE

162
January 22, 1946

64076

~~MEMORANDUM~~

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

Re: ALLEN CHASE

DATE 1/16/83 BY SP5 EIG

3042 put/ste
2/11/88

Allen Chase was born April 19, 1910, at New York City. He married Martha Helen Lerner on May 1, 1936, at which time he was an WPA and was an active Communist Party member engaging in the activities of the "North American Committee to Aid Spanish Democracy". Allen Chase allegedly worked for the International News Service, worked in a steel mill in Youngstown, Ohio, and as an advertising man for some small theaters in New York City. He also owned a chicken farm prior to embarking on his literary career with "Click", Friday publication, and the advent of his book "Falange".

As of January, 1945, it was reported that Chase was the motivating force of the "American Committee for Spanish Freedom" and that he desired to go to the Spanish-French Border as a New York "Post" press correspondent. Contacts of Chase included many prominent Communists.

In August, 1945, it was reported that Chase was still secretary of the "American Committee for Spanish Freedom", which he admitted was formed at the suggestion of the Communist Political Association. There were other indications that the "American Committee for Spanish Freedom" was set up by the Joint Anti-Fascist Refugee Committee of the Communist Political Association with the specific purpose of getting an entirely new group of people interested in Spain. The Committee also reportedly had as its function the passage of House Resolution No. 100 advocating the breaking of diplomatic relations between the United States and Franco Spain and the furnishing of Lend Lease to the Spanish Government. Chase was reported to be most active on behalf of the Committee and to have undertaken to form branches at Chicago and Cleveland.

Chase was at the United Nations Conference in San Francisco as a radio commentator for the Blue Network and as a reporter for "Coronet" magazine. Chase reportedly denied any Communist affiliation. While in San Francisco, Chase reportedly associated with known Communists and with persons interested in the Friends of the Spanish Republic. Chase attended public dinners of the Joint Anti-Fascist Refugee Committee as a speaker. He contacted Steve Nelson, a prominent Communist Party leader, and Bartley Crum, San Francisco attorney and intimate of Communist Party functionaries. Information was received that Allen Chase's name at birth was Chasanov.

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65-56402-499X1

ENCLOSURE

163

64077

January 22, 1946

MEMORANDUM

NOT RECORDED summary

[REDACTED]

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/83 BY SP5 RJA/WY

3042 put/bjc
2/10/88

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64-3900-A-176

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65-56402-1197X
ENCLOSURE

January 22, 1946

MEMORANDUM

Re: ALEJANDRO CARRILLO - summary

Detailed information concerning Alejandro Carrillo, a close associate of Vicente Lombardo Toledano and a director of the Mexican newspaper "El Populo", was furnished to Mr. Frederick E. Lyon, Chief, Division of Foreign Activity Correlation, Department of State, by letters dated January 15, 1945, June 1, 1945, and August 2, 1945. Alejandro Carrillo has been reported to be the right-hand man of Toledano and a professor in the Marxist's Workers University of Mexico City.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/88 BY 305199

3042 pwt/djc
2/10/88

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61-10580

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65-56402-499X
ENCLOSURE

165

64079

January 22, 1946

MEMORANDUM

Re: CONTRERAS LABARCA CARLOS CONTRERAS *summary*

Labarca is reported to be the Secretary-General of the Communist Party of Chile and a member of the Chilean Senate. Detailed information concerning Labarca was furnished to Mr. Frederick B. Lyon, Chief, Division of Foreign Activity Correlation, United States Department of State, by letter dated April 13, 1945.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/83 BY SP5 *[signature]*

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ENCLOSURE
65-56402-499X

January 22, 1946

MEMORANDUM

Re: LOEBARDO TOLEDANO

summary

Visente Lombardo Toledano has long been a power in the field of organized labor in Latin America, particularly since 1938 when he helped organize and became President of the Confederation of Workers of South America. Detailed information concerning Toledano was furnished to Mr. Frederick B. Lyon, Chief, Division of Foreign Activity Correlation, Department of State, by letter dated April 24, 1945. Information concerning Toledano was also furnished to the Visa Division of the State Department on July 30, 1945, in connection with the visa application of Moises Glikowski.

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 10/2/83 BY SP5/49

3042 *put/psc*
 2/20/88

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 62-77787-43

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ENCLOSURE
 65-56402-494X

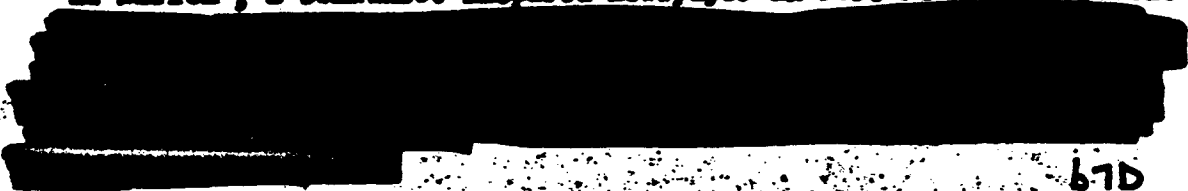
January 22, 1946

MEMORANDUM

Re: MAX HUDIOURT Summary

Max Lelio Hudicourt is a Negro lawyer. He was born on June 25, 1905 in Haiti. He first entered the United States at New York on January 6, 1941. He stated that he was a political refugee who left Haiti to escape the police and to avoid persecution. He left the United States for Havana in April, 1941, and again entered the United States at Miami, Florida, during April, 1944, to serve as Judicial Counselor for the Haitian Delegation of the International Labor Office at Philadelphia, Pennsylvania, however, Hudicourt refused to serve with the International Labor Office because of differences with his government. Whereupon, the Haitian government allegedly issued an edict to punish him should he return to Haiti.

It has been alleged that Hudicourt was a member of the Communist Party in Haiti. He was also reported to be director of "La Nation", a Communist inspired newspaper in Port-au-Prince, Haiti.



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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/83 BY 60329/ST
3042 put/DJC
2/10/88

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ENCLOSURE
65-56402-499A

January 22, 1946

MEMORANDUM

Re: OSCAR SCHNAKE Summary

Oscar Schnake Vergara held the post of Minister of Fomento (Economic Development) in the cabinet of former Chilean President Aguirre Seria but resigned this position in 1941 to become a candidate for President of Chile on the Socialist ticket. Schnake reportedly withdrew his candidacy in favor of Juan Antonio Rios Morales, a member of the Radical Party, who was then elected President of Chile. Schnake held the same cabinet post for a short time under President Rios and then became Chilean Minister to Mexico, which post he held until June, 1944, when he was transferred to North Africa as Chilean Minister to the Free French Committee.

He has long been one of the leaders of the Socialist Party in Chile and has openly and consistently opposed the principles of Communism, although at one time he had the support of the Chilean Communists. Until 1940, he was said to have been anti-United States in his views. During 1940, he made a trip to the United States and since that time has manifested an extremely friendly attitude toward the United States. His interests are generally considered to be among the "middle classes" and he has incurred the opposition of the married elements in Chile.

During 1949, allegations were to the effect that Schnake and a group of Chilean exchange brokers had worked out an arrangement whereby Schnake had brought to the United States some 30,000 United States dollars in December, 1942, in violation of United States Treasury regulations. Schnake consistently denied being involved in such a transaction, claiming that such charges could only have been intended to detract from his reputation and had no basis in fact. Information was received that investigation by the United States Treasury Department failed to indicate definitely that Schnake was so involved.

There have been reports to the effect that Maria Elena Moragas Perez, a young Chilean woman affiliated with the Chilean Socialist Party in the capacity of a confidential agent, had been a close friend and probable mistress of Schnake. At one time, unconfirmed reports were received to the effect that she was connected with a move directed toward the overthrow of the Rios government in Chile.

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3042 *Smith/DJC*
2/10/88

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATED 7/18/83 BY SP0 RJA
ENCLOSURE
65-56402-4911

169

January 21, 1946

64083

MEMORANDUM

Re: DUNCAN HAYNES

summary

Considerable derogatory information concerning Duncan Haynes was furnished to the Visa Division of the State Department on April 8, 1944, in connection with his visa application.

2/9/88

3042 put/DK

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE *6/2/83* BY *503 R/g*

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FFG:ems
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65-56402-499X
ENCLOSURE

170
January 22, 1946

E-64084

MEMORANDUM

Re: JAMES WATERMAN WISE *summary*

In July, 1943, a governmental intelligence agency advised that one James Waterman Wise, 17 East 42nd Street, New York City, was suspected of Communist sympathies and had contributed to "Soviet Russia Today". It was stated that Wise was an associate editor of "People's Press", was a member of the National Executive Committee of the International Labor Defense and American League Against War and Fascism and was compiling a book of letters written by men in the armed forces of the United States to their families. Wise reportedly stated that this book would tell the day-to-day story of the war as it appeared to those who were fighting it and he had requested editors of various newspapers to furnish him with copies of interesting letters from servicemen. The book was to be titled "Very Truly Yours".

James Waterman Wise was born in Portland, Oregon, on December 7, 1901. As of June, 1944, he resided at 45 East 12th Street, New York City, where he was employed as Research Consultant for the Council Against Intolerance in America. Wise was reported to be a member of the Citizens Committee to Free Earl Browder and a member of the League of American Writers. He was also reported to have spoken on occasions sponsored by the Abraham Lincoln Brigade.



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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/83 BY 305219
604

3042 *pwj/dfc*
2/9/88

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FPG:ems
100-222284

Wm

ENCLOSURE

65-56402-499X

January 22, 1946

~~CONFIDENTIAL~~

MEMORANDUM

64085

Classified by SP5/RY
Declassify on: OADR

Re: JACOB LANDAU summary

6-5-63

Jacob Landau was born in Sadagora, Austria, July 2, 1898, the son of Moses Hirsch Landau and Elizabeth Landau nee Hienstock. His parents were reportedly Russian by birth.

He attended the Gymnasium and University in Vienna, Austria, and later the University of Berlin, Berlin, Germany. He started his career as a newspaper correspondent in Europe. In February, 1917, he founded the first Jewish telegraph agency in The Hague, Holland. Following the first World War he attended the Peace Conference as a correspondent of "De Telegraaf" of Amsterdam, Holland. He was also a member of the Committee of Jewish Delegations in Paris. He founded the "Wanderbund Elan-Weiss" in Austria and later edited the monthly journal "Eau Weiss". In 1920 he founded the "News Agency" in London, England, and later organized and managed the Jewish Telegraph Agency in London with branches in Berlin, Jerusalem, Warsaw, Paris and New York.

In 1921 he came to the United States and started the Jewish Correspondents Bureau at 480 Lexington Avenue, New York City. On March 7, 1921, he incorporated a concern known as the Jewish Telegraph Agency, Inc. This corporation was dissolved May 4, 1936, but in the meantime had been replaced by the Jewish Telegraph Agency, Inc., chartered under the laws of the State of Delaware on December 17, 1935. Landau founded the Jewish Daily Bulletin in 1924 in New York City, the only Jewish daily publication printed in the English language. In 1928 he was listed as a director of the Palestine Bulletin, the only English daily in Palest-

3042 part/bk
2/16/88
NO

Little information is available concerning Landau's background.

- Mr. Tolson is alleged to be well educated and to have traveled extensively through Europe as well as South America. From time to time he has been referred to as Dr. Landau although it is not known what degrees, if any, he holds.
- Mr. Coffey was naturalized as a United States citizen on July 15, 1926, at New York City.
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen April, 1921, had headquarters in London, England, where it was registered December 11, 1919, for the purpose of collecting news items of interest to Jews and selling service to press agencies throughout the world. The Jewish Telegraph Agency which succeeded the Jewish Correspondents Bureau, said to have a similar function.
- Mr. Hendon

Mr. McGuire
Mr. Mumford
Mr. Pipet
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

At the present time Jacob Landau is the Managing Editor of the Jewish News Agency, a Delaware corporation organized in 1940. Its

FFG:ms
100-335-487-146

65-56402-499X
ENCLOSURE
~~CONFIDENTIAL~~

Uma

177
Re: Jacob Landau

~~CONFIDENTIAL~~

E 64086

news service now appears in more than fifty English language newspapers and it is alleged to serve 650 foreign language newspapers and 300 foreign language radio stations in the United States. The Board of Directors consists of George Backer, Jacob Klausstein, Reverend Father Robert I. Gannon, John Francis Maylan, William J. Schiefelin, Dr. James T. Shotwell, Dr. Abba Hillel Silver, Herbert Bayard Swope and Jacob Landau. Reinrik Willem Van Loon and William Allen White, both deceased, are carried on the letterhead of the Overseas News Agency as members of the Board of Directors as well. /u

Jacob Landau has stated that the Overseas News Agency was formed by a group of Americans who were concerned about the spread of Fascism in Europe and the Americas. It was their desire to educate Americans about Fascism and its various mechanisms and expose such anti-democratic activities in the American press. Landau stated the individuals who formed the Overseas News Agency were particularly concerned with the infiltration of anti-democratic news into our free press. It was organized as a non-profit concern to supply information, particularly background information, rather than spot news, to general circulation English language newspapers, radio stations and to various foreign language programs in the United States. Landau stated this organization was necessary because the Jewish Telegraph Agency did not have as wide an appeal to the English language press.

The Overseas News Agency established a branch in Buenos Aires to supply a similar service in the Spanish language to Latin American publications. Branch offices have since been opened in Washington and London and correspondents, part and full time, are maintained in England, Russia, Spain, Switzerland, Sweden, North Africa, Egypt, Mexico, Argentina, Brazil, Alaska and Canada.

In addition to its news service features, the Overseas News Agency prepares digests covering the content of the domestic foreign language press. The principal consumer of this service is the Foreign Nationalities Branch of the Office of Strategic Services, which, according to Landau, pays \$300 per month for the service. Landau stated the Office of War Information receives a similar service free of charge. The Office of War Information formerly employed the Overseas News Agency to supply a digest service and to translate various OWI news releases into foreign languages for distribution to the appropriate foreign language press. In addition to the Office of War Information and Office of Strategic Services consumption, the digest material referred to above is sold at varying rates or supplied free of charge to a miscellaneous group of organizations and individuals, such as the Tass News Agency, officials of the Netherlands Information Center, Czechoslovak Information Center, the American Jewish Committee, American Jewish Congress, et cetera, according to Landau.

The precise fashion in which the Overseas News Agency is financed is not known. Its services are given at a low rate or free of charge to

~~CONFIDENTIAL~~

Re: Jacob Landau

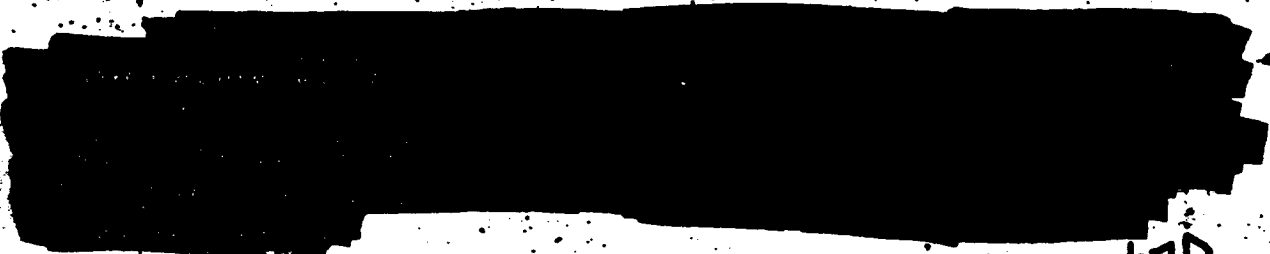
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many foreign language publications, although it does have a few important clients such as the New York "Times", the St. Louis "Post Dispatch" and the Philadelphia "Record". The staff of the Agency is largely composed of refugees. Those in the United States do translating work and review the foreign language press, while those abroad secure stories from the available governmental and legation sources as well as from other refugees concerning the position of minority groups the world over.

The Jewish Telegraph Agency, according to Landau, is not associated officially with any foreign principal directly or indirectly. At one time an arrangement was made by Landau with the anti-Fascist Jewish Committee in Moscow, the publishers of "Khnicht", to furnish them with news items. In return the Jewish Telegraph Agency was to send news from its press service to "Khnicht." Landau has stated that this agreement in no way obligated them to publish the material furnished by the anti-Fascist Jewish Committee and that they had reserved the right to select and use only such items as they desired. This agreement was reportedly entered into as it was the only means the Jewish Telegraph Agency had to obtain news of Jewish interest from the U.S.S.R. and Soviet occupied territories. The agreement was cancelled early in 1944 in order that the Jewish Telegraph Agency might avoid registration as the agent of a foreign principal. The Jewish Telegraph Agency is generally regarded as the principal source of Jewish news in the United States. Its Board of Directors consists of outstanding representatives in American-Jewish life and at the present time is composed of Solomon Agos, George Backer, Jacob Blaustein, Arthur J. Goldsmith, Mrs. Edward Jacobs, Dr. Maurice J. Karpf, Sol Kline, David L. Pedell, David G. Selznick, Rabbi Abba Hillel Silver, Frank L. Weil, Joseph Willen and Jacob Landau. Landau is the Managing Director of the Jewish Telegraph Agency.

In October, 1941, it was reported that the Jewish Telegraph Agency had complained to the Swiss authorities because of treatment afforded to one of its representatives in that country. The Swiss Government allegedly stated that its action against this representative was due to the fact that the Jewish Telegraph Agency was under the same management as the Overseas News Agency, which latter organization had recently issued a report printed in the Chicago "Sunday Times" which was detrimental to the Swiss Government and contrary to fact.



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Re: Jacob Landau

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In April 1943, Jacob Landau stated that Overseas News Agency releases were sent without charge on request to six foreign language papers in an attempt to get them to print anti-Fascist and anti-Nazi information.

Jacob Landau has traveled extensively throughout South and Central America in recent years allegedly in behalf of the Overseas News Agency and the Jewish Telegraph Agency, Inc. He has stated that he has made an extensive study of fifth-column activities in South American countries and is in a position to obtain detailed information on Fascist movements. He stated there were approximately 600,000 Jewish refugees in South and Central America and through his contacts with this group he could obtain information upon numerous individuals and many phases of political and economic activity.

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CONFIDENTIAL

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January 22, 1946

64089

MEMORANDUM

Re: FREDERICK VANDERBILT FIELD

Frederick Vanderbilt Field is the son of the well known Field family. He has been extensively engaged in activities directly and indirectly on behalf of the Communist Party. He has been reported to contribute a considerable amount of money, as well as time, to the advancement of the Communist cause in this country. In March, 1945, he was reported to be a member of the Executive Committee of the American Council of the Institute of Pacific Relations. He has been reported to be the Executive Vice President of the Council for Pan-American Democracy and to be a member of the Editorial Board of "New Masses". He has also been reported to be a member of the National Committee for International Defense and to write a weekly column for the "Daily Worker". He was also alleged to be a member of the faculty and of the Board of Directors of the Jefferson School of Social Science.

Field was reported to have had Jose Antonio Arce of Bolivia as a guest in his home.

He is the author of several books and pamphlets on China and the Pacific area. He attended the Communist Party National Convention in New York City in May, 1944. He also attended the Communist Political Association rally at Madison Square Garden in May, 1944. He attended the Convention of the Executive Council of the Confederation of Latin American Workers in Havana, Cuba, in July, 1943, as a fraternal delegate representing the League for Pan-American Democracy and "New Masses".

During a New York election, he was co-chairman of the Citizens' Non-partisan Committee for the election of Ben Davis, Jr., a successful Communist candidate. He attended the National Negro Congress in April, 1943, in New York City.

Frederick Vanderbilt Field was the former leader of the American Peace Mobilization. He is considered to be one of the "financial angels" of the Communist movement by virtue of his making large contributions to organizations sponsored and dominated by Communists. He has been reported to be a contact of important Communist functionaries.

Further information concerning Frederick Vanderbilt Field was furnished to Honorable Adolf A. Berle, Jr., former Assistant Secretary of State, on July 11, 1941.

- Tolson _____
- A. Tamm _____
- E. A. Tamm _____
- Tracy _____
- Belmont _____
- Mohr _____
- Nease _____
- Winterrowd _____
- Tele. Rm. _____
- Mr. Holloman _____
- Miss Gandy _____

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DATE 6/2/83 BY SP5 JPT

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2/4/88 ENCLOSURE

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152
CONFIDENTIAL

F.B.I. TELETYPE

64066

- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Coffey _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Mr. Carson _____
- Mr. Egan _____
- Mr. Gurnea _____
- Mr. Hendon _____
- Mr. Pennington _____
- Mr. Quinn Tamm _____
- Mr. Nease _____
- Miss Gandy _____

3042
2/4/88

Classified by

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6/7/83

[REDACTED]

WASHINGTON FROM NEWARK

4 2:20 P

DIRECTOR

URGENT

N GREGORY SILVERMASTER, WAS, ETAL, ESPIONAGE R.

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NK R 4 WA

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2:55 PM EST

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FEB 28 1946

EX-70

cc: Mr. Ladd
Mr. Whitson

[REDACTED]

MAR 7 1946

CONFIDENTIAL

151

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD Attention: Lish Whitson DATE: 2/15/46
FROM : C. H. Carson
SUBJECT: Karel W. Deutsch Argentina - see memo - 2

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

On February 14, 1946, Special Agent Francis E. Crosby identified Karel W. Deutsch as the man who called on Maurice Halperin on February 12, 1946.

Deutsch gave Halperin information about the developments surrounding the release of the State Department "Blue Book" against Argentina and told him that he was sending Halperin a copy of the release. Deutsch and Halperin agreed that their division (IRIS) could honestly claim the credit for the spirit which made the release possible, that is, the spirit of overcoming the reluctance of the State Department to take action against a Fascist state.

Deutsch told Halperin he felt that the document was a good job, based upon good material and presented in a lawyer-like way. Deutsch quoted Carl Spaeth, special assistant to Mr. Braden, as saying that this release was only the first installment, and that it was almost hoped this "Blue Book" would produce denials in Argentina in order that it could be followed up with subsequent material. In this connection, Deutsch stated that Spaeth had said he would like to get in touch with Halperin to discuss the matter of formal liaison on the research problems connected with the preparation and presentation of subsequent "Blue Books" on Argentina.

In this connection, it might be noted that Spaeth on one occasion in a conversation with Agent Crosby mentioned that Halperin failed to pass the security check which was given to all people from IRIS who were selected to work on the Argentine project in the State Department.

Agent Crosby has advised me that he previously identified Karel W. Deutsch as the individual who conversed with Maurice Halperin in December of 1945 on the general subject of the discovery by Deutsch in the State Department of a memorandum analyzing the SD traffic between SD agents in Buenos Aires and their superiors in Germany. Agent Crosby has advised me that he cannot recall the date of this particular conversation.

ACTION:

This is submitted for your information.

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DATE 7/5/83 BY Sp6 bja

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INDEXED

65-56402-501 404

50 MAR 6 1946

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. EDW. A. TAMM

FROM : Mr. D. M. Ladd

SUBJECT: HARRY DEXTER WHITE

150
3042 part/DIC DATE 2/21/46
2/4/88 call: 9:28
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DATE 4/5/83 BY SP6 BJA/pt

- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Coffey _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Mr. Carson _____
- Mr. Egan _____
- Mr. Gurnea _____
- Mr. Hendon _____
- Mr. Pennington _____
- Mr. Quinn Tamm _____
- Tele. Room _____
- Mr. Nease _____
- Miss Gandy _____

At the above time the Director's Office referred a call from the Attorney General to me. He stated he would like to talk to the Director by telephone, if possible, to ask the Director whether he would rather see Mr. Vinson tomorrow together with the Attorney General. The Attorney General stated he would like to present and could not be there today because of another appointment. I advised him that I would see that the above message reached the Director who would probably call the Attorney General in just a little while.

DL:dmg

MAR 11 1946

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FEB 27 1946
F. B. I.

143

RECORDED

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

65-56402-502X

Date: February 21, 1946

To: Lieutenant General Hoyt S. Vandenberg
Assistant Chief of Staff, G-2
War Department
Washington, D. C.

64059

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: JOHN HAZARD REYNOLDS

Referring to our recent conversation, at which time I furnished you with information relating to the Soviet espionage activities of William Ludwig Ullmann, I thought you might be interested in the attached memorandum concerning John Hazard Reynolds, a Lieutenant Colonel in the Finance Department of the United States Army, who is also involved in this same activity and who has been reported to be presently in line to receive the Legion of Merit award.

Enclosure

DECLASSIFIED BY SP5 RY/lot
ON 6/2/83

3042 part/bjc
2/4/88

Delivered to Vandenberg
2-27-46 Sub

[Handwritten signature]

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CO MAY 23 1946

J:WMJ
JUN 20 1946

ORIGINAL FILE IN 65-56402-502X

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SECRET
February 21, 1946

LIEUTENANT COLONEL JOHN HAZARD REYNOLDS

DECLASSIFIED BY SP3K19
ON 7/8/83
64060 3042 pwt/dk
2/4/88

Allegations of Gregory

Gregory has advised that Colonel John Hazard Reynolds has had numerous conversations with Gregory and through a close association with him Gregory determined that he is the son of an old Long Island, New York, family and that his father was a New York Supreme Court Judge. Reynolds came into a considerable inheritance upon the death of his Grandmother early in 1930. He did not complete college but as a young boy entered Wall Street and had numerous jobs in the financial district of New York. At a later date he became a member of the New York Stock Exchange. During the First World War he entered the Armed Services as a Private and at the termination of the war, held the rank of Major. Subsequent to World War I, he married Grace Fleischman of a prominent New York family, whose father was the owner of the Fleischman Yeast Corporation. Reynolds became associated with the Chase National Bank and in 1934 this bank sent him to Russia to make a report on the financial conditions in that country. Reynolds spent about two months in Russia, according to Gregory, and while there saw many prominent individuals while making his investigation into the financial affairs of the Russian Government. He appeared to have been greatly impressed by the people he met. Upon his return to New York he submitted a report which the Chase National Bank refused because it had no value to them. From that time on he lived the life of a retired gentleman and held no employment until early in January, 1941, when he became interested in the formation of the United States Service and Shipping Corporation.

Gregory indicated that Reynolds had stated that in regard to his political background, he had been a Socialist for the past twenty years and indicated that on one occasion in 1919 he spoke on the same platform somewhere in New Jersey with Scott Nearing. He also told Gregory that he knew Norman Thomas and John Reed, both of whom had been active in the Socialist Party movement in the United States. Gregory also determined through conversations with Reynolds that he had been an acquaintance of some long standing of Theodore Bayer and had made numerous financial contributions to Theodore Bayer's magazine, "Soviet Russia Today." He also knew and gave financial assistance to Herbert Goldfrank, who was associated with the "New Masses," a Soviet Party line publication. It was also determined that John Reynolds was a good friend of Lemuel Harris, a prominent Communist Party functionary, and on several occasions Reynolds indicated that the Harris family and his own family had been one-time residents of Tuxedo Park, New York, and his acquaintance with Harris began in early boyhood.

According to Gregory, John Reynolds is not a dues-paying Communist Party member. However, he openly admitted that he is a "Marxist" and a Communist and further indicated that before his association with the United States Service and Shipping Corporation, he gave substantial sums of money to various Communist Party

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enterprises. After Reynolds became associated with the United States Service and Shipping Corporation he continued his friendship with Theodore Bayer, Lem Harris, and Herbert Goldfrank, but indicated to Gregory that he was no longer contributing any large sums of money to the enterprise with which these individuals were concerned. He did state, however, that he gave them small contributions and his purpose for so doing was to ingratiate himself with these individuals, feeling that their friendship would be of great assistance to him in the profitable operation of the United States Service and Shipping Corporation.

In the latter part of 1940, Jacob M. Golos, a Soviet agent, was desirous of forming the United States Service and Shipping Corporation, and Golos conferred with Earl Browder in an effort to find a suitable individual to act as a front for this corporation. According to Gregory, it was through Earl Browder or one of Browder's functionaries that John Reynolds was nominated for this position. Gregory advised that in the latter part of 1940, at the time when the negotiations for the formation of the United States Service and Shipping Corporation were being conducted, Gregory met John Reynolds for the first time in the office of Jacob M. Golos. Subsequent to this meeting, Gregory was informed that Reynolds would be the President of this new corporation.

Acting on the instructions of Jacob M. Golos, Gregory in the early part of January, 1941, began to see Reynolds at his home on fairly frequent occasions and the reason for these meetings was to arrange for the formation of the United States Service and Shipping Corporation, sending telegrams to Intourist, and other matters which were incident to the actual commencement of the corporate activities. This corporation actually started to do business at 212 Fifth Avenue, New York City, sometime in the early part of 1941, at which time Reynolds took a fairly active interest in its affairs. The money representing the capital in this corporation had been obtained from both Earl Browder and John Reynolds, Reynolds putting up \$5,000 and Earl Browder, on behalf of the Communist Party, putting up \$15,000. This \$15,000, according to Gregory, was given to Reynolds by either Lem Harris or Earl Browder. The legal transaction for the formation of the corporation was conducted by a reputable law firm in New York City who believed that they were working solely for John Reynolds and had no indication or knowledge that any part of the capital represented funds of the Communist Party or Earl Browder.

A short time after the corporation started business, Reynolds began to spend less and less time in the actual activities of the firm and at the time of the entrance of the United States in World War II, Reynolds attempted to join the Armed Forces. In December, 1942, he received a commission as a Major in the United States Army and remained away from New York for several months. He then spent a short time in New York City and was subsequently assigned to a special mission in some way connected with foreign funds in Washington, D. C. In September, 1945, he was elevated to the rank of Lieutenant Colonel and on his return to New York City, became Executive Officer, Finance Office, United States Army, New York City.

A few months after the United States Service and Shipping Corporation commenced operations, it came to Gregory's attention that Colonel Reynolds was maintaining for Lemuel Harris various sums of money in a safety deposit box in the Chase National Bank. At the time Colonel Reynolds entered on active duty with the Army in 1942, he left instructions with Gregory that if in the future Lem Harris should request that any money be placed in the safety deposit box or should desire a portion of the money already there returned to him, Gregory should comply with these requests. From that time until approximately the spring of 1945, Lem Harris would occasionally come to Gregory and either give additional sums to be placed in the safety deposit box or would ask Gregory to withdraw a certain amount and give it to him. No independent record of the dates and amounts of these transactions was maintained by Gregory but Gregory recalls that Lem Harris had a small book in which he made entries, indicating the dates and the character of the transaction.

In the spring of 1945, Lem Harris withdrew all of his funds from the safety deposit box and, according to Gregory, Harris apparently believed that the Russians had made clear their intention of taking over the United States Service and Shipping Corporation and therefore felt that this repository would no longer be safe. The money which had been given by Harris to Gregory for safekeeping was placed in envelopes bearing the printed name either of John H. Reynolds or the United States Service and Shipping Corporation. The deposits and withdrawals ran, so far as Gregory could recall, from approximately \$2,000 to approximately \$10,000. Occasionally, when Harris would give Gregory the money to be included in the safety deposit box, he would remark that he had just been making the rounds and it would appear that these were Party funds rather than the personal property of Harris.

According to Gregory, "Al", a Soviet agent and Gregory's Russian contact who has been identified as Anatole B. Gromov, Second Secretary, Russian Embassy, Washington, D. C., on the occasion of his initial meeting with Gregory inquired as to the advisability of his meeting with John Reynolds. At that time Gregory mentioned that it would be unwise because Reynolds was in uniform and inclined to be somewhat discreet, and mentioned to "Al" the difficulty of explaining to Reynolds the identity of "Al". At that time "Al" seemed satisfied that a meeting with Reynolds would not be wise. However, on the occasion of Gregory's meeting with "Al" in May or June, 1945, he again brought up the subject of his meeting with Reynolds and stated that he definitely desired to see him. Gregory again registered an objection and stated that Ray Elson, a prominent figure in this investigation, likewise felt that "Al" should not meet John Reynolds. At the insistence of "Al", arrangements were made for such a meeting and accordingly, a few days later Gregory and "Al" went to the Vanderbilt Hotel on Park Avenue where "Al" was introduced to Colonel John Reynolds. Later Reynolds informed Gregory that "Al" had been extremely inquisitive concerning the personal finances of himself and his wife. On this occasion "Al" also informed Reynolds that the \$15,000 original investment ostensibly made by Browder when the corporation was formed, actually represented Russian funds.

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According to Gregory, a misunderstanding then arose between "Al" and Reynolds as to a subsequent meeting and at the request of Reynolds, Gregory made several attempts to arrange a meeting in October and November, 1945. However, "Al" indicated that he had no desire to see Reynolds. On the occasion of the first meeting between "Al" and Reynolds, "Al" was introduced by a fictitious name and Reynolds always referred to "Al" as "Paul". According to Gregory, it appeared that Reynolds did not know the identity of "Al" but during subsequent conversations, Reynolds indicated that he felt "Al" was a Soviet agent.

During the latter part of September, 1945, Gregory indicated that Reynolds should cease his activity with the United States Service and Shipping Corporation. At that time Gregory informed Reynolds that Gregory had been mixed up with Golos in some undercover intelligence work. However, Gregory explained that subsequent to Golos' death in November, 1945, there had been no further activity and Gregory did not inform him of Gregory's continued operations along intelligence lines. At that time Gregory also indicated to Reynolds that the Russians were interested in maintaining the United States Service and Shipping Corporation for a definite purpose and that he would probably become involved. At that time he indicated that he probably knew that "Al" was in fact a Soviet agent.

In connection with Theodore Bayer, John Reynolds informed Gregory that when "Al" failed to communicate with Reynolds, he had gone to see Bayer and inform him of his meeting with "Al" and the fact that "Al" had not kept his appointment as promised. Reynolds advised that Bayer had promised to obtain for Reynolds another Russian contact in the event "Al" did not subsequently see him.

Jack, a Russian contact and Soviet agent who has not been further identified, instructed Gregory that John Reynolds' stock in the United States Service and Shipping Corporation should definitely be acquired and suggested that Gregory attempt to effect this through Earl Browder, pointing out to the latter that he no longer had any Russian contact of value and that inasmuch as the firm's success depended mainly on someone in the firm having a good Russian contact, he was no longer of any value so far as securing business for the corporation was concerned. With respect to this instruction, Gregory made arrangements with Earl Browder to meet John Reynolds and Browder instructed that Gregory was to bring Reynolds and Ray Elson to 16 West 12th Street, New York City. At the time Gregory fulfilled that appointment, Gregory was informed that that was the home of Frederick V. Field, who was not present at the meeting. At this time Browder conveyed to Reynolds the information that he should release his stock and Reynolds stated that if Browder felt that he should dispose of his interest to Ray Elson, it would be acceptable to him. On May 8, 1945, Elson was elected as Vice President of the United States Service and Shipping Corporation and subsequent to that time Ray Elson attempted to procure five shares of the corporation which Gregory held and which had been given to Gregory as a gift by John Reynolds. Gregory, however, turned this stock over to John Reynolds, and Ray Elson mentioned that \$500 had been given to her by her Russian contact for the purpose of acquiring some of Reynolds' stock.

In August, 1944, Gregory and Colonel Reynolds went to Earl Browder's summer home and at that time Gregory carried to Earl Browder, William Browder, and Irene Browder gifts of liquor and brandy from Gregory's Russian contacts. Gregory also, on that occasion, carried material which had been collected and allowed Earl Browder to look it over. According to Gregory, John Reynolds was entirely ignorant of the fact that Gregory carried along any intelligence information.

Background

64064

John Hazard Reynolds was born on October 13, 1886, and is a native of the United States. He came to New York City from Albany, New York, in 1906, and shortly thereafter became a member of a Wall Street brokerage firm. He subsequently held membership in the New York Stock Exchange. During World War I, he served in the United States Army and following his discharge was associated with the Melvill Shoe Company, Incorporated, New York City, later becoming associated with the Guaranty Company of New York. Following this, he was active in the firm of Gillman and Reynolds which managed the financial affairs of private families. In 1927, he retired from active business and remained so until approximately 1941 when the United States Service and Shipping Corporation was formed.

Reynolds is married to Grace Fleischman of the Fleischman Yeast family, and is independently wealthy, holding capital stock of the Chase National Bank as well as a large personal estate.

In connection with the present investigation, Gregory has advised that Colonel Reynolds has been interested in World Tourist, Incorporated, and in the United States Service and Shipping Corporation. Consequently, a summary of these two organizations is being set out hereinafter as a further explanation of Colonel Reynolds' activities.

World Tourist, Incorporated

World Tourist, Incorporated, was chartered on June 10, 1927, in the State of New York with an authorized capital of \$50,000. The officers as of October 18, 1940, were: President, Joseph R. Brodsky; Vice President, Robert W. Wiener; Treasurer, Alexander Trachtenberg; Secretary, Jacob M. Golos. All of these individuals have long been prominently active in Communist Party affairs and Jacob M. Golos is a known Soviet agent. This corporation was established to take charge of all steamship tours, hotel and railroad accommodations, etc., for passengers to the Soviet Union and elsewhere. In March, 1940, World Tourist, Incorporated, and Jacob M. Golos, whose real name is Jacob Raisin, pled guilty to an indictment charging failure to register as agents of the Soviet Government. The corporation was fined \$500 and Golos received a penitentiary sentence. Following the death of Jacob Golos on November 27, 1943, John Hazard Reynolds became the Acting Vice President. As of June, 1945, this corporation was reported to be engaged in selling steamship tickets to South America and the Soviet Union and handling packages for the USSR.

United States Service and Shipping Corporation

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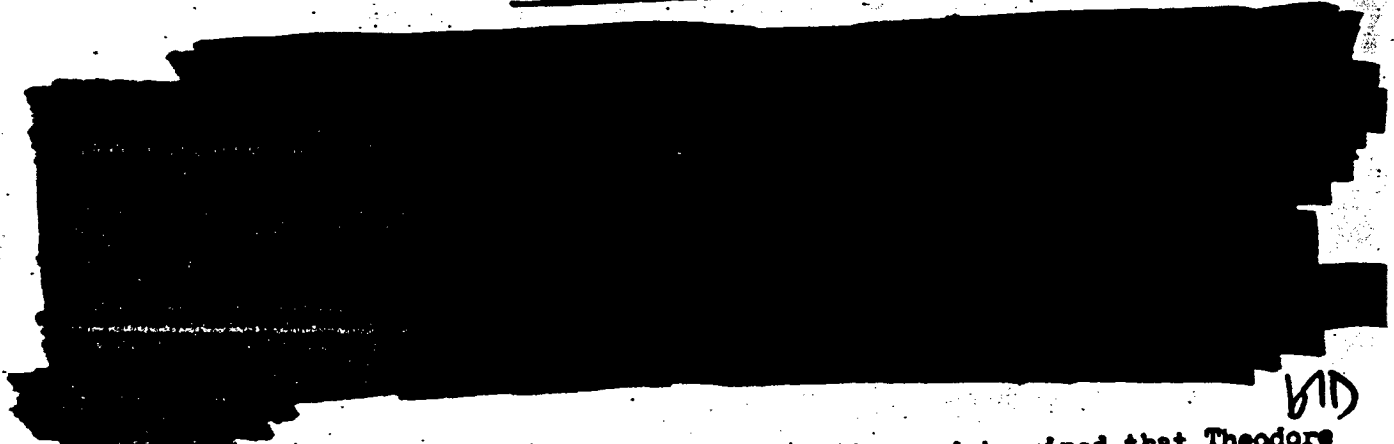
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The charter of incorporation of the United States Service and Shipping Corporation stated, "To carry on the business of forwarders, exporters, importers, ship brokers, and all other business incident to shipping and maritime work of every description." John Hazard Reynolds was the original President of this corporation. By a contract dated March 21, 1941, United States Service and Shipping Corporation was designated as the exclusive agent and representative of Intourist, the official Russian travel agency for the United States, Canada, and Mexico. Intourist agreed to designate the United States Service and Shipping Corporation as the sole and exclusive agency for the issuance of licenses for imports to the Soviet Union from the United States, Canada, and Mexico. In a later contract between the United States Service and Shipping Corporation and World Tourist, Incorporated, the latter was designated as the exclusive representative of the United States Service and Shipping Corporation for the purpose of transmitting merchandise, packages, or parcels to Soviet Russia from greater New York.

This corporation on April 10, 1941, notified the Secretary of State pursuant to the terms of the Notification Section of the Espionage Act of 1917 to the effect that it had entered into an agreement with Intourist for exclusive rights to licenses for the exportation of small parcels from the United States, Canada, and Mexico to individuals in the USSR. The State Department concurred in the opinion that the nature of its business was not such as to require registration.

As of July, 1943, John Hazard Reynolds was President of this corporation and his wife, Grace Fleischman Reynolds was Vice President. It is noted that during 1941 the monthly transfer of funds from the United States Service and Shipping Corporation to Intourist was approximately \$15,000, and in 1943, this amount had dropped to between \$3,000 and \$5,000. In July, 1945, it was reported that there was little activity in the offices of the corporation and it was believed that most of the business was conducted by telephone.

Results of Investigation



Through a highly confidential source, it was determined that Theodore Bayer and Len Harris had indicated their apparent intention to effect a closer working arrangement between the United States Service and Shipping Corporation and World Tourist, Incorporated, and the latter organization would become the sole receiving agent. It was further indicated that John Reynolds would continue in the firm in the same capacity as in the past.

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pk

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SAC, New York

February 20, 1946

John Edgar Hoover - Director, Federal Bureau of Investigation

NATHAN GREGORY SILVERMASTER, was, et al
ESPIONAGE - R

Reference is made to the case entitled "Angela Ida Marjorie Judith
Carnel Hayden Guest, with aliases, Internal Security - R."

In view of the information developed in this case in the past, it is
suggested that a photograph of Angela Guest be secured and exhibited to Oregon
to determine whether she is identical with "Katherine" in the captioned
investigation.

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FEDERAL BUREAU OF INVESTIGATION
FEB 27 1946
U. S. DEPARTMENT OF JUSTICE

COMMUNICATIONS SECTION
MAILED 15
★ FEB 20 1946 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
DAF:edm

ason
A. Tamm
Clegg
Glavin
Ladd
Nichols
Rosen
Tracy
Harbo
Mohr
Tele. Rm.
Holloman
Ingram
Nease
Gandy

COMM 6 671

EM
VJ

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD *DL*
FROM : Mr. E. G. Fitch *EF*
SUBJECT: NATHAN GREGORY SILVERMASTER, was, et al
ESPIONAGE - R

DATE: February 26, 1946

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Gandy

Copies of the memorandum bringing the activities in the captioned case up to date as of the second week of February, 1946, have been delivered to the President, The Secretary of State and The Attorney General this afternoon.

Mr. Roach personally handed the sealed copy of the memorandum to Brigadier General Harry Hawkins Vaughan at the White House and Vaughan immediately turned and handed it to the President with whom he had been in discussion at the time of Roache's arrival. This was approximately 3:00 P.M., at which time Vaughan indicated that Secretary of State Byrnes was due at the White House at 3:30 to discuss the case. Mr. Roache had previously handed a copy of the memorandum to Mr. Byrnes at the State Department.

The Attorney General's copy was delivered to Miss Alice O'Donnell of the Attorney General's Office (Room 5111) at 12:20 P.M. today.

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HEREIN IS UNCLASSIFIED

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February 25, 1948

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MEMORANDUM FOR MR. TOLSON
MR. EAMM
MR. LADD

On February 22, 1948, I had lunch with the Attorney General and the Secretary of the Treasury, in the Attorney General's office. Following the luncheon we conferred for five hours upon the HARRY WHITE case. Mr. White is Assistant Secretary of the Treasury and has recently been named by the President and confirmed by the Senate as one of the two United States Delegates on the International Monetary Fund Committee under the Bretton Woods Agreement.

This situation arose as the result of a letter sent by the Bureau to the President and to the Secretary of State as soon as we had noted in the press that White had been named to this Committee. White's activities have been of interest because of his connection with certain subversive elements and alleged Russian espionage agents in this country.

It seems that White's name was confirmed before the President could contact the Senate and withdraw the name. The President, however, has not as yet signed the confirmation and White consequently has been unable to take his oath of office.

The problem is what can be done to prevent White from taking his oath of office.

The Secretary of the Treasury is very desirous that he not serve in this capacity and in fact does not want him to continue as Assistant Secretary of the Treasury. On the other hand, the President could by mandamus be forced to sign the commission as it is considered that such action is purely an administrative function of the President and one that he cannot refuse to sign without good cause.

I informed the Secretary of the Treasury and the Attorney General that the evidence which we had upon Mr. White was of such character that I did not believe it should be disclosed at this time as the investigation was still in progress and as the evidence which we had at this time was circumstantial and that no direct overt acts had been established. I pointed out the difficulties under which we have to operate - namely, our inability to arrest and question persons before arraignment and that recently our investigative operations had been largely restricted to surveillance, which are at the best circumstantial. I also pointed out that the exposure in the Hearst papers of last December concerning the Russian espionage activities, the activities of these persons in the GREGORY case have been most circumspet since that time.

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

JH:HCB

Discussion was had at length concerning the various steps which the President might take in handling this matter.

It seemed to be the consensus of opinion that if he signed the commission and White took office there might be subsequent disclosure of White's connections and activities which would result in serious criticism of the President and it also was the consensus of opinion that if he refused to sign the commission and publicly dismissed White there would be a clamor raised by the liberal elements and the President would be forced then to make some statement and that it would be undesirable at this time to disclose the details, which in many respects are circumstantial, concerning White.

It was the opinion that the Secretary of State, the Secretary of the Treasury, and the Attorney General would arrange to see the President as soon as possible and outline to him exactly what the situation is and that they would suggest to the President that there is one of three courses of action that might be taken (1) The President could dismiss White and make no statement. (2) The President could send for White and tell him that he had changed his mind and that he desired White to resign and not serve. (3) The President could sign the commission, instruct the Attorney General to continue the investigation vigorously and instruct the Secretary of the Treasury that he, as Governor of the National Advisory Council on International Monetary and Financial Problems and of the International Bank should take steps to see that any persons selected for appointment should not be appointed except with the approval of the Governor. This step would prevent White from appointing on his staff any of the other persons under suspicion in the Gregory case. It was also realized that should the President follow the second alternative and White should refuse to resign, the President might then sign the commission and take the same action as considered in the third alternative.

Very truly yours

J. E. H.

John Edgar Hoover
Director

SENT FROM D. O.
TIME
DATE 2/25/46
BY JMH

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MEMORANDUM FOR MR. TOLSON
MR. TAMM
MR. LADD

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On February 19th, at the request of the Secretary of State, I called at his office at 9:30 a.m. The Secretary stated that he merely wanted to refresh his recollection relative to certain aspects of the Canadian Communist investigation.

Silvermaster case

He stated that as he recalled it, the Prime Minister of Canada had seen the President and him, the Secretary of State, upon the visit of the Prime Minister last fall and that at that time, after the Secretary of State had talked with me, he had suggested to the Prime Minister that no action be taken for two weeks upon the matter in Canada in view of the then developing GREGORY case in the United States. The Secretary of State did not inform the Canadian Prime Minister of this latter case but it was because of the fact that this latter case had just arisen that I suggested to the Secretary of State that pending developments it might be well for the Canadians to withhold action at least for two weeks.

The Secretary of State stated that at the end of those two weeks he again conferred with me and that I informed him then that the Canadian Government might be advised that it could proceed and take whatever action it desired to take as the same would not interfere with any case pending in the United States and that he, the Secretary of State so advised the Canadian Government at that time.

I told the Secretary of State that the above was correct.

The Secretary of State stated that shortly thereafter he left for the Foreign Ministers Conference in London and that while there, Foreign Minister Bevin of the British Government and representatives of the Canadian Government again conferred with him, the Secretary of State, and advised him of the recent developments in the Canadian matter. The Secretary of State stated that he again reiterated to them that they should take whatever action they deemed proper and that they should not withhold any action because of any interest of the American Government.

The Secretary of State inquired of me as to the situation as now existed within the United States in connection with this matter. I told him that there had been four persons in the United States who were mentioned in connection with the

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FEDERAL BUREAU OF INVESTIGATION
MAR 4 1946
U. S. DEPARTMENT OF JUSTICE
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CONFIDENTIAL

Canadian case. I told him that the activities of these four persons had not been overt, though we had had them under surveillance from the time the information had reached us. I pointed out to him that the Canadian Government could take action in Canada which meant that they would not have to arraign the individuals arrested, nor publicly indicate who they were, whereas the United States authorities could not take action of this kind and under the McNabb Decision could not even interrogate persons arrested before arraignment if they hoped to introduce such statements in evidence.

I advised the Secretary of State of some of the activities in the GREGORY case, which were entirely separate from the Canadian case and also of the limitation under which we were operating in this case by reason of the restriction of our laws and the rulings of the United States Supreme Court.

The Secretary of State stated that he had told the press the day before that there had been no instance in which the State Department had requested the Department of Justice not to effect an arrest. I told the Secretary of State this was not an accurate statement; that there was a case, known as the SCHEVCHENKO case, in which the State Department had requested the Department of Justice not to effect the arrest. The Secretary of State stated he did not know of this case as it had happened apparently while he was attending the Foreign Ministers Conference in London. I told him it did arise at that time and that the Under Secretary of State, Dean Acheson, had conferred with the Attorney General, and that as a result of that conference the FBI did not arrest SCHEVCHENKO and that subsequently he was permitted to leave the country. I told the Secretary of State I knew he had not obtained the specific blue prints which he sought as we had refused to allow the contact then to go through following the decision of the State Department and the Attorney General that the arrest should not be made in view of the foreign situation.

Very truly yours

John Edgar Hoover
Director

Office Memorandum • UNITED STATES GOVERNMENT
CONFIDENTIAL

TO : THE DIRECTOR
FROM : D. M. Ladd
SUBJECT: HARRY DEXTER WHITE

DATE: February 21, 1945

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- Mr. Tolson
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Mohr
- Mr. Carson
- Mr. Hendon
- Mr. Harford
- Mr. Jones
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Beahm
- Miss Gandy

Pursuant to your request, there is attached hereto a documented memorandum on Harry Dexter White. You will note that a considerable amount of the information therein was obtained through technical and physical surveillances.

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Attachment
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CALL OF SUSPECT

MARY BEYER WHITE

Original Source

Background of Mary Beyer White

Collateral Information Available Prior to November, 1949

Results of Investigation Since November, 1949

Primary Contacts and Collaborators

- Ethan Gregory Silvermaster and Helen Witte Silvermaster, His Wife
- William Ludwig Glendon
- Schlomer Adley
- Samie Weinstein Gold
- Harold Glasser
- Irving Kaplan
- William Henry Taylor
- Abraham George Silverman
- Donald Elmer Wheeler

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ENCLOSURE
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February 1, 1946

Summary
HARRY DEXTER WHITE

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The purpose of this memorandum is to relate all of the information available at this time concerning Harry Dexter White, his activities and contacts in order that an over-all picture may be available for review, action or future reference. This information has been received from numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation. In no instance is any transaction or events related where the reliability of the source of information is questionable. It is with these factors in mind that the following material is set forth. (U)

ORIGINAL CHARGES

Through a confidential source, the activities of Harry Dexter White, present Assistant Secretary of the Treasury, first became apparent in the latter part of 1942 or the early part of 1943. At that time, this source was in direct contact with Nathan Gregory Silvermaster, his wife, Helen Witte Silvermaster, and William Ludwig Ullmann, all of whom for several years have resided at 5515 Thirtieth Street, N. W., Washington, D. C. Both Nathan Gregory Silvermaster and William Ludwig Ullmann were then and are now, employees of the United States Treasury Department. Mrs. Helen Witte Silvermaster is unemployed.

Through comments made by Silvermaster, his wife and Ullmann, the source learned that White was supplying them with information consisting of documents presumably obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department. The source in this regard recalls definitely having seen documents at the Silvermaster residence, which documents were brought there by Silvermaster or Ullmann, both of whom received the material from White. As concerns the nature of this material supplied by White, the source states that it consisted of reports of a varied nature concerning the financial activities of the United States Government, particularly if they related to foreign commitments. Also various memoranda and reports from other Governmental departments and agencies were made available through these channels. These documents had usually been reduced to photographs by the time they were observed by the source but on occasions this source had the opportunity of viewing the original documents themselves. Suffice it to say, during the investigation of these charges, it was learned that a complete photographic laboratory exists in the basement of the Silvermaster home sufficiently well equipped for the copying of documents. This includes an enlarger, developing equipment and all the necessary chemicals and other incidentals.

These documents whether consisting of notes taken therefrom, verbatim copies, developed photographic negatives or undeveloped photographic negatives were delivered through channels to Jacob M. Golos, a known Soviet agent, who died on November 27, 1943, and who was then secretary of World Tourists, Inc., a New York corporation chartered June 10, 1927. Jacob M. Golos whose real name is Jacob Reisin pleaded guilty to an indictment along with World Tourists, Inc., charging failure to register as agents of the Soviet Government in March, 1940.

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He received a fine of \$500 and a jail sentence of four months to one year which was later changed to probation. The source in this matter states that material collected in this particular parallel of Soviet espionage was all channelled through Golos to an individual who has been tentatively identified as Dr. Abraham Benedict Weinstein, a practicing dentist residing at 28 Fifty-third Street, New York City. Weinstein in turn passed the material to a Russian contact who in turn channelled the information to the Soviet diplomatic establishment in this country. It can logically be presumed after arrival at this destination that material of primary interest to the Soviets was forwarded to Moscow, U.S.S.R. via diplomatic code and material concerning which there was no urgency, reached that destination through the Soviet Diplomatic Pouch.

Subsequent to the death of Golos, [the material gathered by the Silvermasters and Ullmann originating with White, was traced by this source through an unknown individual to Anatole Borisovich Gromov, former First Secretary of the Soviet Embassy, Washington, D. C. Suspensions had previously surrounded the activities of Gromov to the effect that he was the successor to Vassili Zubilin, reported head of the NKVD, one of the primary branches of Soviet Intelligence in North America. Zubilin returned to Moscow, U.S.S.R. in the late summer of 1944, and Gromov departed from the United States for Moscow, U.S.S.R. on December 7, 1945. From all appearances, the position previously held by Gromov to whom this material was transmitted prior to his departure, is now held by Fedor Alexeevich Garazin, an official of the Soviet Embassy, Washington, D. C.]

After identifying the channel through which material from the United States Treasury Department passed from White to the Soviet Embassy, Washington, D. C., the source commented that it was apparent from conversations overheard in the Silvermaster home that White was considered one of the most valuable assets in this particular parallel of Soviet Intelligence. This view was taken since in his capacity as Assistant Secretary of the United States Treasury, those individuals whom this group was anxious to have assigned there could secure employment. Among individuals in this category are William Ludwig Ullmann, William Henry Taylor and Semya Steinman Gold, who will be discussed in more intimate detail hereinafter. The source also reports that White was regarded as a valuable adjunct to Soviet espionage because of his close relationship with former Secretary of the United States Treasury Henry Morgenthau, Jr. and was felt to be in a position to secure favorable consideration for the U.S.S.R. in financial matters.

Following the death of Jacob M. Golos, known Soviet agent, a discussion was had between Silvermaster and his immediate superior in Soviet espionage, who has not been identified to date, as to the advisability of introducing White directly to the Russian contact to whom this unknown intermediary delivered the material originating with White. Silvermaster was not in favor of taking this action and presumably this meeting was never arranged.

The source recalls that sometime in the summer or fall of 1943, the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate the obtaining of information from his office for

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delivery to Soviet espionage agents. As a result of these deliberations, Mrs. Helen Witte Silvermaster went to one of the Communist functionaries in Washington, D. C., and from this source secured the name of Sonia Steinman Gold. Eventually, Mrs. Gold through arrangements with White, obtained a position as one of the secretaries in the United States Treasury Department. As a result of this employment, Mrs. Gold obtained documents from White's office, which she copied and made her notes available to Mrs. Helen Witte Silvermaster. The source does not recall specifically but it is recollected the information which Mrs. Gold obtained concerned principally the Treasury Department's opinions and recommendations concerning applications for loans made by the Chinese and French Governments. It is also recalled by the source that some of this information concerned political reports regarding General DeGaulle, which found their way into White's office. The exact date of the employment of Mrs. Gold with the United States Treasury Department is not readily available; however, it is significant to note that she has been employed for a considerable period as secretary or assistant secretary to White. She was on maternity leave during the fall of 1945 and was expected to return to her employment shortly after January 1, 1946.

This source also reported the existence of another parallel of Soviet In:alligence operating within the United States Government and headed by Victor Perlo. The information gathered from the Perlo group was channelled through Jacob K. Golos and on to the Soviet diplomatic establishment in the same manner as outlined for the operation of the Silvermaster group. This is true both before and subsequent to the death of Golos on November 27, 1943. Victor Perlo as late as October, 1945, was a statistician in the War Production Board.

The source relates that because of the relationships existing between Golos and the Perlo group, another individual, namely, Harold Glasser, appeared in the picture. Glasser for a period in 1944, according to the source, was outside the United States in some capacity for the United States Treasury Department. He returned to the United States probably in the early fall of 1944, and thereafter was employed in the United States Treasury Department. It is contended by the source that Glasser was rather closely associated with White and may have served as his assistant. Glasser was able to supply general information concerning the activities of the United States Treasury Department, particularly where they concerned proposed loans to foreign countries. He also supplied information originating in the Foreign Economic Administration which had been sent to the United States Treasury Department for action or information.

The above summary of information is complete as it concerns the material known to this source regarding White.

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BACKGROUND OF HARRY DEXTER WHITE

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Harry Dexter White was born in Boston, Massachusetts, October 29, 1892. Since 1939 he has resided with his wife, Anne Terry White, and two daughters at 6810 Fairfax Road, Edgemoor, Bethesda, Maryland.

During the First World War he served as a First Lieutenant in the Infantry of the United States Army and spent some time overseas during his service from April, 1917 to February, 1919. Following his return to the United States he directed the American Expeditionary Force Orphan Asylum for the period of two years. He attended Stanford University where he obtained a Bachelor of Arts degree in 1924, and a Master of Arts degree in 1925. He was awarded a Doctor of Philosophy degree by Harvard University in 1935. His legal residence is in the State of Wisconsin and he served as Professor of Economics for two years at Lawrence College in Appleton, Wisconsin. He was also an instructor in Economics at Harvard University for a period of six years.

In June, 1934, Professor Jacob Viner of the University of Chicago brought Mr. White to the United States Treasury Department to make a special study. He was employed in the Office of the Secretary of the Treasury as an economic analyst from June 20 to October 4, 1934. From October 5 to October 31, 1934, he served as Chief Economic Expert with the United States Tariff Commission. Following this, he served as Principal Economic Analyst, Division of Research and Statistics, Treasury Department, from November 1, 1934 to October 1, 1936.

It is noted that during the year 1935 he was sent to England to study economic and monetary questions. He became Assistant Director in the Division of Research and Statistics, United States Treasury Department, and served in this capacity from October, 1936 to March 25, 1938, when on the latter date he became Director of Monetary Research and continued in that position until August 5, 1941. He assumed his present position as Assistant Secretary of the Treasury, in charge of the Division of Monetary Research on August 5, 1941.

Also in this year he was entrusted with the management of the two-billion-dollar stabilization fund of the United States Treasury. Mr. White has represented the United States Treasury on the Economic Defense Board and he is also a trustee of the Export-Import Bank in Washington, D. C. He is also a member of the Government's Committee for Reciprocity Information, which Committee has been active in connection with reciprocal trade agreements with foreign countries. He accompanied (former) Secretary Morgenthau in 1943 on a trip to Italy and North Africa.

During the Bretton Woods Monetary Conference which began July 1, 1944, Harry White was the Chief Technical Expert for the United States Government and gave to the press daily a summary of the Committee meetings. In September, 1944, he was instrumental in drawing up the Morgenthau Plan for treatment of Germany following World War II.

Current Biography also states that Harry Dexter White is the man behind (former) Secretary of the Treasury Henry Morgenthau's postwar monetary

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proposals, and he was the chief author of the measures under discussion at the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire, in July, 1944.

According to Current Biography, Anne Terry White, wife of Harry Dexter White, is a writer of children's books. They have two children.

Harry Dexter White has written the following books and articles:

Some Aspects of the Tariff Question (in conjunction with Frank W. Taussig).
 French International Accounts.
 China's Interregional and International Trade (Quarterly Journal of Economics, August, 1934, volume 48, pages 727 to 741).
 The Monetary Fund (Foreign Affairs, January, 1945, volume 23, pages 195 to 210).

COLLATERAL INFORMATION AVAILABLE PRIOR TO NOVEMBER, 1945

White was the subject of an investigation conducted in 1942, predicated upon charges by the Special Committee on Un-American Activities of the House of Representatives, at that time headed by the Honorable Martin Dies. It was charged that White was a member of the Washington Committee for Democratic Action, which had been declared a subversive organization by the Attorney General, thereby indicating a possible violation of the Hatch Act. Inquiries determined that White's name did not appear in the active indices of the Washington Committee for Democratic Action; however, it was ascertained the name of Mrs. Anne Terry White, his wife, did appear in these indices. After preliminary inquiries with no appreciable results, White himself was interviewed under oath on March 30, 1942, at which time he denied membership in the Communist Party and in the Washington Committee for Democratic Action. He likewise denied membership in any organization which he had reason to believe might be dominated by the Communist Party or the policies of which were dictated by any foreign government. The great part of the interview was the denunciation on the part of White of this type of investigation being conducted on the basis of the reports of the Dies Committee. He admitted that his wife had contributed to the League of Women Shoppers and also contributed to the Spanish Relief during the Spanish Civil War. The League of Women Shoppers is allegedly a Communist front organization and the policy of the Communist Party was to give such assistance in the form of relief and otherwise to the cause of Loyalist Spain during the Spanish Civil War.

Through the estranged wife of one of the individuals reportedly serving as a source of information for Soviet Intelligence, the names of a number of persons reportedly identified as members of the underground Communist group in Washington, D. C. were secured. Among other names was that of Abraham George Silverman, who was formerly employed by the Railroad Retirement Board and the United States Army Air Force and is presently employed by the French Supply Council of the French Government. As incidental to the mention of Silverman,

It was alleged that he worked through close friends who are indebted to him, including White and others. It is pertinent to note that Silverman was also prominently mentioned by the source of information as White as an important element of the Soviet espionage parallel, channelling information through the Silvermasters to the Soviet Government. Some of the material which Silverman delivered to the Silvermasters reportedly came from White. Silverman apparently was one of the main collectors of information from various officials in the United States Government and which in considerable volume, he delivered to the Silvermasters for photographing and transmittal to the Russians. This photographic work as stated hereinbefore, was done in the basement of the Silvermasters' home. William Ludwig Ullmann, who maintains actual residence with the Silvermasters, did the actual work of photographing after training himself specially for this purpose.

Through a highly confidential source, it has been learned that

[REDACTED]

[REDACTED]

In January, 1945, "The Federal Record," official publication of the United Federal Workers of America - CIO, reported that Local No. 11, the main United States Treasury building, had met with White, the new Assistant Secretary, to discuss a meeting for staffs of the three research divisions attached to the Office of the Secretary. White agreed that such a meeting should be held and promised to speak on the significance of the Bretton Woods agreement. It should be noted that the United Federal Workers of America - CIO is reported to have been strongly infiltrated by Communist elements and to follow and expedite the policies of the Communist Party whenever possible.

Through a highly confidential source, it was learned that Harriet Bouzlog of the CIO Maritime Committee, made an appointment for Louis Goldblatt with White in early 1945. Goldblatt while in Washington, was also to see Silverman of the War Department who is believed identical with Abraham George Silverman

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mentioned hereinbefore. Louis Galblatt reportedly is a member of the Special Branch of the Communist Party, San Francisco, California, and is Secretary-Treasurer of the International Longshoremen's and Warehousemen's Union of America - CIO. This is the Union of which Harry Bridges is the head.

EW

During February, 1945, White served as a member of a delegation to the Pan-American Conference of Foreign Ministers at Mexico City, Mexico. According to press releases, his primary interest in attendance at this Conference was to act as an advisor on the methods of preventing Axis leaders from caching funds in "safe havens."

In July, 1945, a clerical employee of the Passport Division of the Department of State, who was formerly employed as a clerk by the Soviet Government Purchasing Commission, was allegedly purloining certain information from the official records of the Department of State for transmittal to unknown persons. This individual had reportedly stated that he knew a man or men who would pay him \$1,000 for the information he had collected in the course of his employment. In his application for employment with the Department of State, White was listed as a reference and recommended him highly. This circumstance is being set forth in view of the allegations enumerated hereinbefore to the effect that White was considered of extreme value because of his influence in securing positions for persons who could be of assistance to Soviet espionage.

In October, 1945, it was learned through reliable sources that functionaries of the National Council of American-Soviet Friendship, Inc. were considering inviting White to be a speaker at the organization's rally scheduled for November 14, 1945, at Madison Square Garden, New York City. This organization whose objectives are to propagandize the Soviet Union is reliably reported by many sources to be completely under Communist control. Its functionaries who are responsible for its policies and the issuing of such invitations include known members of the Communist Party, numerous apologists for the Soviet Union and suspected Soviet agents.

EW

During the investigation of Philip Jacob Jaffe, editor of "Anerasia," who was arrested in June, 1945, for the possession of documents taken from the Department of State, it was learned that he had been in frequent contact with Andrew Roth. During one of these contacts, the question was discussed as to whether one of their sources in the Treasury Department on Far Eastern Affairs would lose his position if Secretary Morgenthau were to be replaced. It was concluded that he would retain his position on the basis of his own merits and then a veiled reference was made to White who was described as "pretty widely respected." Jaffe's counter-remark to this was, "Yes, but he is pretty radical," leaving the inference that with the change in Secretaries of the Treasury, White might not remain in his position.

On another occasion while in contact with Roth and discussing various possible contacts for Jaffe for information from Government sources, Roth referred to David Carr, who works with Drew Pearson, as obtaining considerable information on Far Eastern Affairs that other individuals did not get because of his United States Treasury connections. Roth stated that Carr was seeing White once a week and spending considerable time with him.

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Subsequent to the receipt of the information above, White was interviewed with respect to persons apprehended along with Jaffe for the receipt of official documents of the Department of State. He stated that he did not recall any instances where there had been leaks of information in the Treasury Department or where documents had been taken or material given to unauthorized individuals. He denied being acquainted with Jaffe but indicated that numerous persons have visited him since he has been working in the Treasury Department and it is possible that he had met Jaffe but he does not recall this meeting. He denied knowing any other principals in the Jaffe case but stated that the name of John Service, an employee of the Department of State indicated in this case, was familiar to him and he believes that Service's name was mentioned to him by Irving S. Friedman. Friedman is in fact the individual that Roth and Jaffe were discussing above as to whether he would lose his position in the Treasury Department in the event of the resignation of Secretary Morgenthau.

White stated further during this interview that Friedman was an employee in the Treasury Department handling matters dealing with monetary affairs in the Far East. He indicated that he himself had brought Friedman to the Treasury Department approximately five or six years previously at which time Friedman was working either for the British or the Italian Government on affairs in India. He contended that he had no reason whatsoever to question the integrity of Friedman. White pointed out that because of the nature of Friedman's work he must necessarily know a number of persons in the field of Far Eastern Affairs because that field in the number of informed persons is limited. Further, White stated that Friedman had authority to take papers with him to his home at night the same as other officials in the Treasury Department. It is to be noted that Friedman admitted being acquainted with Jaffe. He wrote an article for "Amerasia," of which he knew Jaffe to be editor, but declined writing similar articles after employment by the Treasury Department. Friedman also admitted acquaintanceship with Service, Roth and other individuals involved in the Jaffe case.

During the investigation of the Jaffe case, it was developed that the principals therein were reported on numerous occasions to be sympathetic with the Soviet policy as it concerns China. With this in view, documents concerning the foreign policy of this Government relating to China were those primarily desired by Jaffe for guidance in the articles appearing in his publication, which itself followed the Communist Party line.

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RESULTS OF INVESTIGATION SINCE FEBRUARY, 1945

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Investigation of White since November, 1945, has been conducted with the primary objective of proving or disproving the original charges enumerated hereinafter. It should be realized that to prove these charges at this time when they relate to activities occurring in 1942 and 1943 is practically impossible. Certain conclusions, however, may be made possible by establishing that White is in fact acquainted with the Silvermasters, Wilmarand other individuals who, according to the source of this information, were serving a parallel of Soviet espionage activities during this period. Weight may also possibly be given to the establishment of facts concerning situations prevailing at the present time, such as the presence of a photographic laboratory existing in the basement of the Silvermaster home. It will be noted hereinafter there appears to be a close inter-relationship between White and the other individuals mentioned prominently as active in furthering interests of Russia. An attempt will be made not only to cover the activities of White directly with others named by the primary source of information in this matter, but to also show that White has other contacts which would tend to establish a pattern not in disagreement with the charges at hand.

Through investigation it has been learned that on November 22, 1945, the automobile of Frances L. Malstein, 3623 Jennifer Street, N. W., Washington, D. C., the wife of Harry M. Malstein, an Assistant Solicitor of the Interior Department, delivered individuals, presumed to be the Malsteins, to the home of White. Information was previously available that Malstein at one time was interested in Commonwealth College in the State of Arkansas, an institution which on many occasions has been criticized for its promotion of Communist ideals. Malstein is also listed in the active indices of the cooperative "Keep Out of War Congress" and the Capital City Forum, organizations reported by numerous sources to be under Communist domination and influence. The name of Mrs. Harry M. Malstein appeared on a list of names of the Washington Committee For Democratic Action, an organization which was later declared subversive by the Attorney General under the provisions of the Hatch Act.

On November 24, 1945, Colonel Bernard Bernstein, 3003 Albermarle Street, N. W., Washington, D. C., visited at White's residence for some period of time. On November 26 and 27, 1945, White proceeded to the home of Colonel Bernstein, 407 Battery Lane, Bethesda, Maryland, where he presumably spent a good portion of both evenings. It will be noted that Lieutenant Colonel Bernstein, prior to the war, was Assistant General Counsel of the United States Treasury Department. He has been employed by this

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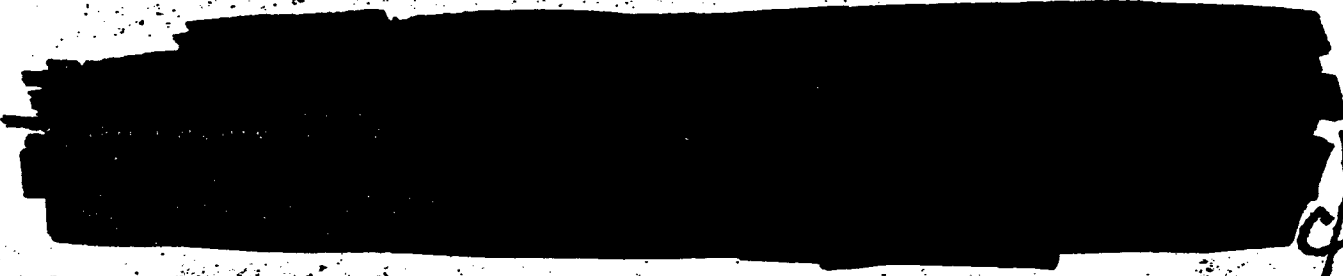
Department since December, 1933, and on January 27, 1943, was detailed to the War Department where he received a commission of Lieutenant Colonel in the United States Army. Other contacts between Lieutenant Colonel Bernstein and White will be discussed hereinafter.

On November 29, 1945, White, during the evening, visited the residence of New Pearson, the well-known columnist, at 2820 Dumbarton Avenue, Washington, D. C. He spent the evening at this address and departed in the company of several individuals who were guests for the evening.

In early December, 1945, White proceeded to New York City for the purpose of having certain dental work done and to make certain contacts. It was reported by a highly confidential source that on December 6, 1945, White was in contact with his wife from New York City, at which time he advised he was staying with Dr. Abraham Wolfson of Newark, New Jersey. It is known that while visiting the Wolfson family White took this opportunity to view certain real property in New Jersey with a view to its purchase. After his return to Washington, White is known to have stated on one occasion that one of his purposes in traveling to New York was to see a number of reporters. *u*

Later in the investigation, it was learned that Dr. Abraham Wolfson was in Washington, D. C., on December 29, 1945, and that he is a divorced brother-in-law of Mrs. Harry Dexter White. Information was available prior to the present inquiries that Dr. Abraham Wolfson, 31 Lincoln Park, Newark, New Jersey, was listed as a member of the Washington Committee For Democratic Action in 1940. Dr. Wolfson was born on April 24, 1894, at Odessa, Russia, and is by profession a dentist, practicing at Medical Towers, 31 Lincoln Park, Newark, New Jersey. He has been a practicing dentist for many years.

Dr. Wolfson, in May, 1934, was divorced by his wife, Mrs. Ruth Terry Wolfson, 39 Washington Street, East Orange, New Jersey, an instructor in the Teachers College, Columbia University, New York City. Dr. Wolfson secured his American citizenship through derivation as a consequence of his father's naturalization during his minority. He has been reported by numerous sources as having had frequent and close contact with numerous Communists in the State of New Jersey.

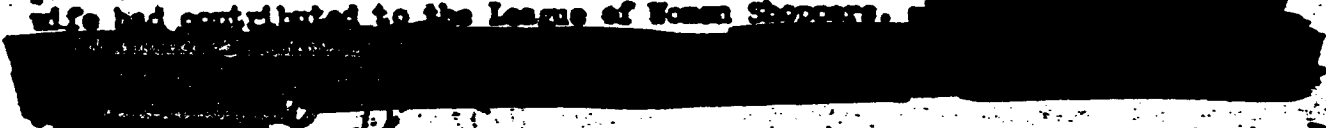


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On December 13, 1945, it was learned through a highly confidential source that Nancy Strauss of the League of Women Shoppers was in contact with Mrs. Anne Terry White at which time she requested the latter to write a protest to Lansburgh's Department Store concerning their refusal to serve colored people at the lunch counter after the end of the war after having served them during the war. Mrs. White agreed that she would write this protest. It will be recalled that previously herein White admitted that his wife had contributed to the League of Women Shoppers.



Numerous contacts on the part of White during early December were noted between White and Lee Pressman, 4619 Norwood Drive, Bethesda, Maryland, General Counsel for the National Congress of Industrial Organizations (CIO), and Colonel Bernard Bernstein mentioned hereinbefore. Subsequent investigation revealed that White and Pressman alternate in taking each other to work in their personally owned automobiles, their places of employment being in near proximity to each other. (H)

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On December 12, 1945, White accompanied an individual to the vicinity of 3210 P Street, N. W., which is the residence of Alger Hiss, who for some time has held a high position with the Department of State and was Secretary General to the United Nations Conference on International Organizations held in San Francisco, California, in 1945. He recently attended the UNO Conference in London, England, and he still holds his position with the Department of State.

Reference is made to the Ferlo group mentioned under the original charges set out hereinbefore. The same confidential source reported Hiss as working for a parallel of Soviet espionage, the details of which were not furnished. However, it was pointed out that Harold Glasser, who had formerly submitted his information through Ferlo to Jacob M. Golos and his successors, later worked under the guidance of Hiss, who subsequently placed Glasser and others working under his supervision in direct contact with the Russians. As the matter was related, Hiss appeared to be a very influential element in the Soviet espionage network operating from within the United States Government.

On December 14, 1945, it was learned the Whites invited Nathan Gregory Silvermaster and his wife to their residence on that evening. The Silvermasters again visited the residence of White for the evening on December 23, 1945.

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On December 14, 1945, White and his wife visited at the home of **Manuel Halperin** at 9926 Georgia Avenue, Silver Spring, Maryland. Halperin is an employee of the Office of Strategic Services assigned to the Library of Congress since October 2, 1941. As of January, 1945, Halperin was the head of the Latin-American Division in the Research and Analysis Section of the Office of Strategic Services, which Section has now been transferred to the Department of State. According to the confidential source making the original charges set out hereinafore, Halperin was formerly a professor of Romance Languages at Oklahoma University. He was a member of the Communist Party, according to this source, during his stay in Oklahoma and on arrival in Washington, D. C., made contacts to re-establish himself with the Communists. In the latter part of 1942, he was placed in direct relationship with a Soviet espionage courier who secured from him information which was passed through Jacob M. Cohen and his successors to the Soviet Government. *en*

On December 14, 1945, it was learned through a highly confidential source that Mrs. Helen White Silvermaster was in contact with Mrs. White on a purely personal matter. On December 15, 1945, Nathan Gregory Silvermaster was also in contact with Mrs. White, at which time the former learned that White was ill. The purposes of the relationships existing between the Whites and the Silvermasters enumerated hereinafore definitely proves a close affiliation and establishes that part of the allegations made hereinafore concerning the acquaintanceship between these two families. *en*

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As early as December 4, 1945, the name of Frank Coe, Assistant Administrator of the Foreign Economic Administration, became apparent in this investigation. At that time White referred his wife to Coe to secure certain personal information incidental to his position. It is known also that White on at least one occasion stopped by the home of Virginia Frank Coe, 2700 - 38th Street on his way to work and picked up individuals at that address.

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It has been determined that Coe resided in Toronto, Canada, from 1934 to 1939. Exact details of his employment since the latter date have not yet been revealed by inquiries.

On December 15, 1945, White and his wife visited the home of Maurice Halperin at which time Frank Coe and his wife were also guests.

Information has recently been developed from the source responsible for the original charges herein that Frank Coe was also one of the minor individuals who was supplying information to the Silvermasters and thence through channels to the Soviet Government. The reports which Coe made came to the Silvermasters in Washington, D. C., by letter, since during the pertinent period that is up to the fall of 1944 Coe was in Latin America. It was the opinion of this source that Coe also sent information to Harry White and gave White material while he, Coe, was in the United States which eventually found its way to the Silvermasters. The nature of the material made available through Coe is not known but he was considered a minor figure. In view of Coe's employment with the Foreign Economic Administration, it may well be that he was with that organization in Latin America and necessarily had to make his reports by mail either through White or direct to the Silvermasters.

Attention was made hereinafter of contacts between White and Lee Pressman, General Counsel, SIC, Washington, D. C. At the outset it should be noted that Pressman has held his position since 1935. He attended Cornell University and Harvard University Law School, graduating from both institutions. From 1929 to 1933 he was employed as an attorney in New York City and entered upon employment with the Federal Government in 1933. He remained with the United States Government for a considerable period. Pressman, according to confidential sources, was listed in the active indices of the National Federation for Constitutional Liberties and on the mailing list of the Washington Book Shop. His wife, Sophie Pressman, according to these same sources, was listed in the active indices of the Washington Committee for Democratic Action, the National Federation for Constitutional Liberties, the American Peace Mobilization and was serving as Vice Chairman of the American League for Peace and Democracy when it disbanded in 1940. All of the above-mentioned organizations have been reported from substantial sources as being under strong influence of the Communist Party.

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Through a highly confidential source it was learned in September, 1941, that when Jack King came into the Communist Party in Chicago, Illinois, to receive instructions for his assignment to a new job in the Party, he received several letters from local officials for delivery to Communist Party officials in New York, one of which was addressed to Leo Sussman of the CIO.

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Next recent investigation of White reflects that he attempted to get in contact with Freeman on December 27, 1945. On the following day White did, in fact, contact Freeman at which time Freeman was asked whether the response had been favorable. The latter indicated in the affirmative but something apparently had gone wrong in White's direction since Snyder had been in contact with Philip Murray, President of the CIO, and wanted to see him Monday. Freeman promised to contact White concerning this whole affair and White invited Freeman and his wife to come to his home that evening.

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On December 31, 1945, White again contacted Freeman at which time the latter stated that Snyder had been in contact with Murray that same day and had agreed to go ahead with the appointment of the panel. To White's

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question as to whether this was good or bad, Freeman stated that it meant that all efforts at mediation or collective bargaining were stopped. White commented that the recommendation apparently had no effect to which Freeman assented because it meant that the parties concerned appeared before a panel, started calling each other names, raised the whole business of ability to pay and would create the same impression as efforts in connection with General Motors. Freeman then referred to calling on Secretary of Labor Louis B. Schulzback that same day at the Naval Hospital where he was undergoing treatment. Freeman indicated that Schulzback tried to find out from him exactly what was going on. White was amused by this and Freeman then added that Schulzback knows absolutely nothing. Freeman then continued that he had told Schulzback the whole story concerning Snyder's call and the latter indicated that he was going to contact the President and determine if he could have them (apparently labor and industry) hold further action until he, Schulzback, got back to see the President. *Q U*

Reference was then made to an announcement which might be issued the following day which, if it did not appear, was because Schulzback had held the matter up. White, during this whole conference, appeared to be very interested in the activities behind the scenes concerning negotiations between the CIO and strikes then pending and further from the comments made by Freeman, was obviously in the confidence of the latter. *Q U*

On January 2, 1946, Freeman informed White that he had received information that the President was calling a conference for the next day which was to include Hooper, Henry W. Wallace, Secretary of Commerce and Snyder on the whole situation and the steel industry in particular. Freeman indicated that he wished there was some way of making Wallace make a real fight for the first time in his life on what had to be done on the situation; further the whole affair seemed to be deteriorating so fast that fast finding was a must. He continued that the whole strike issue had to be settled with a substantial increase. White inquired as to the time of the prospective meeting which Freeman apparently did not know at that moment. White further inquired of Freeman as to what he had to suggest and the latter indicated that White knew Wallace better and consequently was in the position to answer his own question. Freeman urged that White should try to see Secretary Wallace the next day and point out to him the bad condition of the whole situation and indicate that it was connected with the autarkic problem which in turn is related to the whole farm bloc. Freeman was apparently very much concerned that the strike situation was getting out of hand. *Q U*

White endeavored to secure from Freeman the subjects for discussion the following day. The latter did not know specifically but was of the belief that some pressure would be put on Hooper to do something for the steel industry. Freeman indicated that what should be done is this: if the strike runs its course the way it has been outlined, it will be perfectly meaningless *Q U*

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because the steel industry will get a small price increase. To get action the administration should call in the top officials and set a deadline for final settlement, taking a strong stand that this settlement should come before January 14. He then pointed out that if the steel industry could be cracked by labor, labor would then be able to run the gamut of cracking every other industry. White inquired of Pressman as to whether it was possible for him to mention that he had heard anything concerning this matter. Pressman stated this was possible since it had come through a third party through the Office of Price Administration. This apparently had reference to the prospective price raise on steel. Q U

Considerable attention was given during this contact to the possibility of securing a wage increase for the steel industry without a price increase. Pressman pointed out to White that the steel industry would have to have a price increase and that it would not necessarily follow that all other industries would have to have a price increase also. Pressman was most adamant that it was possible to have a price increase on steel without affecting the automobile industry and other industries since the price of steel has been frozen since 1937, while other steel consuming industries have their price frozen as of 1942. White concluded by stating that he would perhaps try to see Wallace the next morning. Pressman then advised White that he would arrive, presumably in Washington, the next morning and White inquired as to whether he was apt to be effective in his program. Pressman was not optimistic unless Wallace called him and added that he thought Wallace would be free to talk with Philip Murray then and go to the White House later. Q U

The question was then raised by White as to whether the situation would not in fact mean that a commitment, presumably from SRA, should be secured on the price raise on steel without similar action in other industries before settling the strike. Pressman pointed out that it would have to be a simultaneous affair, that is the settlement of the strike in return for the Government's concession to raise the price of steel. White indicated that if President Truman was going to authorize an increase in the price of steel it doesn't seem reasonable that this would be done without having the union's demands acceded to for a raise in wages. Pressman continued that the President was under pressure from industry and was trying a settlement and further that the amount of the wage increase must be determined as satisfactory to the unions since the price increase will have to be made incident thereto, otherwise the administration will find itself with a strike still on its hands. White inquired as to how they would find out the solution and Pressman added only by dealing directly with Philip Murray. He made the gratuitous comment that he had never known of an instance of this description - where everything was going to the dogs and the White House had not even talked with other heads of the labor union - not only that, but his assistants, neither Steelman nor Snyder, had been in contact with the unions. Q U

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Developments were made that Freeman would ride to work the following morning with White. It was not apparent during the above contact as to why Freeman was discussing this whole situation on an intimate level with White, Assistant Secretary of the United States Treasury. *U*

There have been several other contacts between Freeman and White but none of particular significance with the possible exception that Freeman contacted White on January 29, 1946, and asked him whether he was aware of the fact that his superior, presumably the Secretary of the Treasury, had seen Fairless, presumably head of United States Steel, the day previous. White indicated that this was not known to him and commented "You may find out during the day what happened, if anything." White answered in the affirmative but was noncommittal concerning the supplying of the results of this conference to Freeman. *U*

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With further reference to Colonel Bernard Bernstein, it was developed that he was in contact with White on December 27, 1945. Colonel Bernstein indicated that he was interested in getting all of the Nazi property away from the Nazis and getting it to desirable people in Germany. To White's question as to what would be done with the cash, Bernstein indicated that it would be held under the control of the United States Treasury - the main thing was to remove from the Nazis the control of property in Germany. Bernstein also indicated he was being released from the Army soon, and there was a vague discussion of a position which he had under consideration with the condition that he, Bernstein, would be better off in the Treasury at \$10,000 a year. It was also obvious that White was going to take up the question of Bernstein's status with the Secretary of the Treasury. White again was in contact with Bernstein on December 28, 1945. The latter told White that Donald Egan, who is the brother of Alger Egan mentioned heretofore, had contacted him and advised the Polish Government was still looking for an advisor. He stated that Ludrig Rajchman of the Polish Mission had been in to see him. Bernstein was interested in the caliber of the individual desired by Rajchman. White indicated that Rajchman needed an individual to do the kind of things Bernstein could do for him and the kind of things that George Silverman was doing for the French. Bernstein was desirous of advice as to which crowd Rajchman represented and White indicated "the crowd that is in." White continued by stating that the Polish Ambassador needed three men - a fellow like Bernstein in many ways could be used and a fellow like Silverman to get the Economic and Purchasing Commission in order. White did not know how much money the Polish Government had to spend and added that he had to see Rajchman in the near future. White also wanted advice as to what the next move by Egan would be, but Bernstein either could not or would not advise on this question. (S) U

Bernstein apparently was not interested in the Polish proposition on a full time basis, to which White agreed, saying that if the Poles wanted aid they would have to pay fully because they have a very difficult job. Discussion was then had as to how White and Bernstein could use this proposition to fit in with their other plans and White stated that he would have a definite suggestion along that line the next day. (S) U

Various details of the establishment of an office, presumably for Bernstein, were mentioned and White indicated that they, meaning himself and Bernstein, had to have an office anyway because of discussions White was having with Secretary of the Navy Forrestal the following day and that one could not talk without an office. Bernstein indicated that he had received a call previously from Governor Lehman of WYOM and the Honorable Robert H. Jackson, Associate Justice of the Supreme Court of the United States now on assignment in Germany, and he asked White if they could possibly be interested, presumably in him, on a part-time basis. White answered in the negative. White indicated, however, that Bernstein should see Former Governor Lehman and see what he had to offer. White, in conclusion, related that he was going to talk to Secretary of the Treasury Vines very straight; that he had nothing to lose; he was entitled to it (this may relate to his appointment as a delegate on the International Monetary Fund under the Bretton Wood Agreement) and would see what Vines had to say. (S) U

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On January 1, 1946, Colonel Bernstein again was in contact with White, at which time reference was made to a commendatory statement which had appeared in the newspaper column of Drew Pearson that morning. Bernstein indicated that he had been in contact with an individual believed to be Congressman Andrew J. Biemiller to get the tempo of those up on the Hill. Bernstein commented that it seemed to him that it (unidentified) was concrete enough up there where they are working sufficiently well towards crystallising support on the liberal fight. He made reference to they (apparently Congress) being worried about what was going to happen in 1946 and added that Congressmen like Biemiller would worry whether the CIO Political Action Committee and organizations of that type are going to give them support.

On January 13, 1946, Bernstein was in contact with Mrs. White during White's absence in New York City. He inquired whether White had heard anything definite about his new job from the Secretary of the Treasury. Mrs. White answered in the negative.

White is known to be in contact with David Karr, an employee of Drew Pearson, newspaper columnist, and specifically contacted him on January 1, 1946, expressing appreciation for the salute which had been paid to him in Drew Pearson's column that morning. It will be recalled that Karr's name was mentioned previously hereinbefore as an individual who was in frequent contact with White. Karr was formerly employed with the Daily Worker, a Communist Party publication, and later with Transradio Press and the Office of War Information. Karr also worked for a considerable period for "The Hour", published by Albert Eugene Kahn who is known to have had direct relationships with the Communist Party. Besides writing articles for the Daily Worker, at least on one occasion in March, 1939, he was the author of an article appearing in the publication "Fight" distributed by the Executive Committee of the American League for Peace and Democracy, a reported Communist front organization. The exact length of his service with Drew Pearson is not known.

As an example of the tenor of the attitude prevailing in the White home, the following comments by one of his daughters to a friend may be of interest. In a discussion of their aims and likes, Miss White stated that a large portion of their "friends" called close friends believed in the same political ideas - the same as their family. Further, Miss White stated that all of the family had been engaged in politics and so the friends they have in the house are the ones they can speak freely with and not just say, "What lovely weather we are having." Continuing, Miss White stated the belief that when one is an adult, he must stick with his convictions that she thinks her parents have arrived at a correct understanding of political and religious beliefs and other basic things.

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PRIMARY CONTACTS AND COLLABORATION

As will be seen in the results of investigation since November, 1945, set out hereinafter, considerable information is set forth concerning the persons with whom White has been in contact. In those instances where his contacts are not in substantiation of the original charges set forth hereinafter, a brief statement was made concerning the identity of the individual involved. However, in those instances where White has been in contact with persons directly related to the original charges, very little, if any, further identification was made incidental to the summary of the investigation. It was thought more desirable to treat each of these persons separately.

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Hubert Gregory Silvermaster and Helen Elita Silvermaster, his wife.

The confidential source supplying the original charges set out hereinafter has advised that in August, 1941, Jacob S. Golos made arrangements for a courier to collect information from the Silvermasters for delivery to him and thence to the Soviet Government. It became increasingly more obvious that although the fiction was first used that this material was going to Karl Broder, that both the Silvermasters and Elita were aware of its ultimate destination, namely, the Soviet Government. Silvermaster was at that time employed in the Farm Security Administration of the United States Department of Agriculture. His wife was unemployed, and William Ludwig Elitman was employed in the Treasury Department.

Previous to these arrangements for a courier between the Silvermasters and Golos, it was quite obvious that Golos himself had collected the material being gathered. It was through the Silvermasters that Elitman was successful, with the aid of White, in securing his position in the United States Treasury Department.

Silvermaster, according to the informant, is of Russian-Jewish extraction, born in the Ukraine. His early life was spent in China where he remained until he was about twenty years of age when he migrated to the United States. He attended a university in the State of California and later taught in an educational institution in that state. The informant reports that during the longshoremen's strike on the West Coast in 1934, when Karl Broder, former Chairman of the Communist Party, USA, was being sought by vigilantes, he was hiding in the Silvermaster home. Previous acquaintance of Silvermaster with Broder up to that time is not known. Silvermaster first came to Washington, D. C., in about 1935, whereupon he secured employment with the United States Department of Agriculture. In 1942, he went to the Board of Economic Warfare; in 1944, the United States Treasury Department where he now holds the position of Chief of the Division of Economic Analysis, War Assets Board. This source definitely states that Silvermaster's position in the Treasury Department was secured for him by White.

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Mrs. Silvermaster was also born in Russia and spent her younger years in China, where she had a son by a previous marriage. She was subsequently divorced in this country, whereupon she married her present husband.

Prior to the establishment of the courier system, when collecting the information in Washington himself, the source stated material was delivered to an individual tentatively identified as Gaik Ovakimian, a known Soviet agent who was allowed to depart from this country after having been indicted as an unregistered agent of the Soviet Government. Verbal instructions were delivered to the Silvermasters and Ullmann by the courier who received the information gathered by them. By the fall of 1942, original documents were being received by Ullmann and the Silvermasters secured from Government files to which they had access. It was at this time that Ullmann provided himself with a 35 millimeter camera and became proficient in document photography. Many other details and contacts were reported concerning the Silvermasters; however, they had no direct relationship to White other than to establish the conclusion that this particular parallel of Soviet espionage had a wide coverage.

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In substantiation of the above statements made by the confidential source, it will be noted that Silvermaster was born in Odessa, Russia, on November 27, 1898. He was naturalized as a United States citizen at San Francisco, California, in 1926. He attended the University of Washington, Seattle, Washington; Stanford University, Palo Alto, California, and the University of California, Berkeley, California. It was further determined that in general the life history of Silvermaster as related by the original source is substantially accurate. Silvermaster has been reported as a member of the American League for Peace and Democracy and the Washington Committee for Democratic Action, both of which were declared subversive organizations under the provisions of the Hatch Act by the Attorney General. There are references to Silvermaster as early as 1922 as a young Communist of the University District in Seattle, Washington. In the interim between then and 1935 when he entered upon Government employment, there are some other references to alleged radical activities and particularly allegations that he associated with known Communists. One report states that in 1935, Silvermaster contacted Sam Darcy, Head of the Communist Party in California, and because of his associations it was concluded that he was an active radical. Silvermaster has a long record of reported associations with known Communists. He has been described as a protege of Professor Robert Alexander Brady, head Social Economist of the Office of Price Administration and a reported member of the Communist Party from 1932 to 1937. Further, Silvermaster is known to be acquainted with individuals other than those named herein who are strongly suspected of Soviet espionage.

Mrs. Silvermaster was born in White Russia and after the Russian Revolution went to China where she married. After proceeding to the United States, exact date not known, she divorced her first husband and married Silvermaster in 1928 or 1929. There is little information concerning her background; however, this much does substantiate what the original source

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had to say in this regard. Helen Silvermaster was one of the leaders in the Washington Book Shop, the American League for Peace and Democracy, the Washington Committee for Aid to China, and probably the National Federation for Constitutional Liberties, according to the confidential source. At the same time the source indicated that her husband represented the CPUSA (now the NCPD) in the United States. All of these organizations cited have been reported on numerous occasions by a considerable number of people to be Communist dominated and controlled. She was also listed in the indices of the United American Spanish Aid Committee, League of Women Shoppers, and known to have attended functions of the Women's Committee with the Friends of Spanish Democracy, all allegedly Communist front groups.

William Ludwig Wilman

William Ludwig Wilman, according to the original source, and as has been related heretofore, lives at the residence of the Silvermasters. He participated very closely with the Silvermasters in gathering material which passed through Jacob M. Golos to the Soviet Government. According to the source, Wilman originally came from a wealthy family in Missouri. He later resided in New York City and finally procured a clerical position in a Government agency in Washington, D. C. After making the acquaintance of the Silvermaster family, who recognized his potentialities, they facilitated his obtaining a job in the United States Treasury Department. Besides the gathering of information, he did much of the photographing and processing of the material precedent to delivery to the courier which brought it into the hands of Golos. In the fall of 1942, the source states that Wilman's induction into the United States Army became imminent and there was considerable discussion on the part of Silvermaster and Wilman as to which branch of the service would seem most advantageous. The Navy and the Marine Corps were dismissed since they concluded both branches were anti-Semitic. Realizing that Wilman could not meet the physical requirements directly, it was decided that he should wait until he was drafted and attempt to be assigned to the Air Corps. This in fact was done, according to the informant, and Wilman entered the Army as a private. Subsequently, he was promoted to a non-commissioned officer and later recommended for the Officer Candidate School. He was accepted and received his commission. Silvermaster was most anxious for Wilman to be assigned to the Pentagon Building, and it was through Abraham George Silverman that this assignment was actually effected. Silverman during this period was a civilian employee of the War Department assigned to the United States Army Air Forces and stationed in the Pentagon Building. Both he and Wilman made available voluminous material from records which came into their possession as a result of their employment.

By investigation, it was determined that Wilman was born on August 14, 1906, at Springfield, Missouri. He attended elementary school in that state; received his college education from Phillips Exeter Academy, Exeter, New Hampshire, and Harvard University. He resided in New York in 1934 and 1935. The latter year, however, he came to Washington, D. C., and secured his first position with the United States Government with the

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NSA Consumer Advisory Board at a salary of \$2,000 a year. It was also learned through the Local Draft Board where Wilman registered under Selective Service that he received a communication dated November 9, 1940, over the signature of Harry Dexter White, Director of Monetary Research of the United States Treasury Department, requesting the deferment of Wilman. Wilman finally entered upon service with the United States Army on April 14, 1943, and was separated from the Army on October 14, 1945, with the rank of Major in the Army Air Forces. He was assigned to the Postages Building, Room #4-K120. On return to civilian life, Wilman again entered upon his employment with the United States Treasury Department. It is interesting to note that Wilman is assigned to the Monetary Research Division of the United States Treasury Department, that Division being headed by White.

Schlomer Adler

Schlomer Adler, more commonly known as Sal Adler, according to the original source of information, advised that during the latter part of 1942 and the early part of 1943, his name arose in connection with this Soviet network. Letters were seen in the Silvermaster home written by Adler from Chungking, China, to the United States Treasury Department in Washington, D. C., he, at that time, was the Treasury Department representative in China and the letters observed were of an official character. Presumably, they came into the possession of the Silvermasters through White. The Silvermasters characterized Adler as an opportunist but indicated they would have liked to place him in some strategic location in the United States Government. Adler was described as a dues paying member of the Communist Party.

Investigation determined that Schlomer Adler was born on August 6, 1909 at Leeds, England. His length of employment with the Treasury Department is not known; however, on July 10, 1945, that Department requested his Local Draft Board to permit him to leave the country and travel to China as a representative of the Treasury Department. This request was granted. It was also determined that Adler is a naturalized American citizen and received his final papers in September, 1940. Adler previously had served at the American Embassy in Chungking, China, as a representative of the Treasury Department as early as 1941. In 1932, information was received from a confidential source, who in the past has been reliable, to the effect that Adler, an employee of the United States Treasury Department, had been sending weekly reports to the Communist Party. He was further described as definitely a Communist and a close contact of Alexander Stevens. It was suspected that the Communist Party was playing the stock market and utilizing Adler's information in this connection.

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SONIE STEINMAN GOLD

According to the original source of information in this matter, White's position was considered most valuable by Silvermaster because of his ability to place in the Treasury Department those individuals whom this particular Soviet espionage group desired to have assigned there. Among those so assigned was Sonie Steinman Gold. It was sometime in the fall of 1943, that the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate obtaining information from his office. The name of Sonie Gold was secured from one of the Communist functionaries in Washington, D. C., and through arrangements with White, she secured a position in the Treasury Department. As a result of this employment, she obtained documents from his office which she copied and later delivered the notes to Helen Silvermaster.

Silver

Further, the source states that in the spring of 1944, Bela Gold also known as Bill Gold, the husband of Sonie Gold, also appeared in this Soviet network. Gold had obtained a position in the Foreign Economic Administration and based on conversations overheard between the Silvermasters and Ullmann, it was determined that he was supplying this group with what they considered excellent information regarding the internal situation in the Foreign Economic Administration. Gold was considered to have done an excellent job in this regard by both Silvermaster and Ullmann and they discussed at one time the possibility of supplying him with a camera in order that he might do his own photographing at home.

As related hereinbefore, investigation determined that Sonie Gold is in fact employed in the United States Treasury Department as a secretary or assistant secretary to White. [she was on maternity leave and may still be; however, on December 27, 1945, it is known that she was in contact with Mrs. Helen Silvermaster in connection with a luncheon engagement.]

Bela Gold was born on January 30, 1915 at Colosvar, Hungary. He is a United States citizen either by naturalization or derivation and married Sonie Gold on July 5, 1933. He attended New York University and Columbia University. As of April 16, 1945, a request for deferment was made to the Local Draft Board of Gold by Kenneth O. Warner, chairman of the Agency Deferment Committee of the Foreign Economic Administration. Gold at that time held the position of advisor on Foreign Development Policy at a salary of \$8,000 per annum. Gold, through investigation, was determined to be in contact with Mrs. Elizabeth Savuly, who is active in the administration of the White Collar Unit of the Communist Party, Washington, D. C.

HAROLD GLASSER

As it was indicated hereinbefore, the source of the original information in this case mentioned another branch of Soviet espionage headed by Victor Perle of which Harold Glasser was a member. When this group first came to the attention of this source in early 1944, Glasser was outside the United States

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in some capacity with the United States Treasury Department but he returned in the early fall of that year. Subsequent to that time he was stationed at the Treasury Department at Washington, D. C. where he was thought to have been an assistant to White or at least rather closely associated with him. Glasser, however, was transferred from the Parle group to administration by Alger Hiss of the State Department, who was also, according to the informant, supplying information to Soviet Intelligence.

Investigation determined that Harold Glasser was born on November 23, 1904, in Chicago, Illinois. According to Selective Service records, he is employed as Assistant Director, Division of Monetary Research, United States Treasury Department, and his immediate superior is Harry Dexter White, Assistant Secretary of the Treasury. He attended the University of Chicago and Harvard University. He in fact resided outside the United States, part of the time in London, as is reflected by a permit in the Selective Service records, issued on January 7, 1943. His first residence abroad appears to have been in London; however, a passport was issued to him on February 1, 1943, for travel to Africa, Union of South Africa and Egypt where he was to be assigned to the Civil Affairs Section of General Eisenhower's Staff. Further, on February 12, 1944, it was indicated that he was travelling abroad to North Africa, Spain, Portugal and Italy on business for the United States Treasury Department concerning the problems on foreign exchange in the countries enumerated. It is known that he was back in the United States in the fall of 1944. Glasser has been described by numerous sources as a member of the Communist Party and has been associated with many individuals against whom the same charge is made.

IRVING KAPLAN

According to the source of the original information, it is stated that Irving Kaplan was employed with the War Production Board and was giving information which he obtained through his agency to Abraham George Silverman. It was through Silverman that it was learned that the material from Kaplan channelled through Silverman, was actually being received by Silverman for passing along to Gales and thence to the Soviet Government. Kaplan was described as a dues-paying member of the Communist Party. When last heard of by the source, he was employed with the Foreign Economic Administration.

Irving Kaplan was born on September 23, 1900, in Idzenciel, Poland. He attended the City College of New York and Columbia University. He was naturalized in New York City on December 18, 1921. In the summer of 1945, he was designated as a representative of the Treasury Department to proceed to Germany and there was assigned to the civilian group. He was requested for duty with the United States Group Control Council in Supreme Headquarters, Allied Expeditionary Forces. One of his references on the application for employment was Abraham George Silverman, mentioned hereinbefore.

Further in the investigation, it was found that the wife of Irving Kaplan, Dorothy Kaplan, had been in contact with the wife of Abraham George Silverman, Mrs. Helen Silverman and is acquainted with Nathan Gregory Silverman and Ulsann. During these contacts it was apparent that she was bringing

SECRET 4

pressure through Ulmann and Silverman to have her husband released from the Army in Europe in order that he might return to his position in the Treasury Department. Irving Kaplan communicated with his wife to the effect that she should contact Frank Coe and advise him that no confirming cable concerning his release had been received as yet but that a person named Nixon had cabled Colonel Bernard Bernstein and White on December 11, 1945, requesting Kaplan's immediate recall on account of urgent matters pending. All of these individuals have been mentioned hereinbefore. Subsequent to the receipt of this cable, Dorothy Kaplan contacted Ulmann and told him that she had been in contact with Frank Coe about the time scheduled for her husband's release. He indicated to her that nothing further could be done since the Treasury Department had already requested the War Department for Kaplan's return to the United States immediately. Mrs. Kaplan was advised by Frank Coe to cable her husband that they were doing everything possible to effect his early return to the United States. It will be noted that all of the names figuring in these transactions are of those mentioned as prominently concerned in the Soviet espionage group discussed hereinbefore.] Q u

WILLIAM HENRY TAYLOR

It will be recalled as cited hereinbefore that the original source of information charges that White was considered of extreme value to the instant underground Soviet group because of his ability to place individuals in particular positions in the Treasury Department. Mentioned particularly in this category was William Henry Taylor. This individual first came to the attention of the source in the latter part of 1942 or the early part of 1943. It is alleged that after securing his position with the Treasury Department with the assistance of White, he was sent as their representative to China and later to Lisbon, Portugal with the Foreign Economic Administration. He was described as a dues-paying member of the Communist Party. During the interim between his return from China and his departure to Portugal, he was in the Treasury Department in Washington, D. C. and was supplying Silvermaster with written and oral information secured by him in that Department. In addition, he prepared a report on conditions in China which he made available probably to Silverman but possibly to Silvermaster. This report eventually reached the hands of the Russians.

Taylor was born in British Columbia on March 30, 1906. He was appointed to the position of principal economic analyst in the Division of Monetary Research on January 3, 1941. This is the division headed by White. He resigned his position on May 21, 1941 to accept an appointment as an alternate American representative of the recently created China Stabilization Board and proceeded to Chungking, China, on official business. He was reinstated in the Division of Monetary Research on September 15, 1942 as principal economic analyst.

In May, 1944, the Department of State granted Taylor a passport for an official trip to London, England. In connection with another investigation, White on interview advised that Taylor had handled many important assignments

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for the Treasury Department, including a visit to North Africa on official business shortly after the Invasion and London in connection with official business with regard to the invasion of Europe. As of June, 1945, he could be reached in care of the American Embassy at London, England.

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ABRAHAM GEORGE SILVERMAN

According to the original source, Abraham George Silverman, a graduate of Harvard University, came to Washington, D. C. in the early 1930's to accept employment with the Railroad Retirement Board. The circumstances of his acquaintanceship with the Silvermasters and Ulmann were not known to the source although during the pertinent period, Silverman was accepted on a very friendly basis in the Silvermaster home. After he was assigned to the Pentagon Building in 1942 or 1943, as a Civilian Specialist, he began bringing documents to the Silvermasters' home.

During this same period, the source learned that White was also supplying information consisting of documents received in the course of his duties in the Treasury Department. These documents were made available to Silvermaster either by Ulmann or Silverman, both of whom were receiving material from White. Silverman also collected information from other individuals which ultimately was passed on through instant channels to the Soviet Government. Both Ulmann and Silverman while assigned to the Pentagon Building were obtaining and photographing data including aircraft production figures, allocation and deployment of aircraft, results of testing of aircraft, reports on the efficiency of particular types of airplanes, technological developments in aircraft manufacture, statistics regarding high octane aviation gasoline, pertinent developments concerning the planning, construction and completion of the B-29, scheduled date of D - Day, directives issued by General Marshall, and other vital information. Both Silverman and Ulmann were assigned to the United States Airforce and had access to this type of information.

Investigation disclosed that Silverman was born at Przasnysz, Poland, on February 2, 1900. He graduated from Harvard University with a Ph.D. Degree and holds another degree from Leland Stanford University. He was formerly employed as a Chief Production Specialist, Materiel Division, Army Airforces, from March 26, 1942 until August 18, 1945, when he left this employment to work for the French Supply Council, a part of the French Government in Washington, D. C. He is known to have been in contact with Nathan Gregory Silvermaster, Mrs. Silvermaster, Dorothy Kaplan, wife of Irving Kaplan, and others mentioned hereinbefore. (S)(u)

DONALD NIVEN WHEELER

According to the original source, Donald N. Wheeler was an element of the Perlo Group mentioned hereinbefore, who during the pertinent period, namely in 1944, was employed on the Editorial Board of the Research Analysis Section of the Office of Strategic Services. The material which he submitted was stated to be of considerable value. He submitted material which included

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[64085]

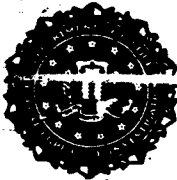
"ditto" copies of monthly and semi-monthly reports of the Office of Strategic Services as they concerned political developments throughout the world, some of which were marked "Secret" and "Confidential."

The source states that Wheeler is a native born American, a graduate of Yale University and had in the past been a student at Cambridge or Oxford specializing in Economics. He was described as a dues-paying member of the Communist Party. Wheeler is apparently an American who attended Reed College, Portland, Oregon, and Oxford University as a Rhodes Scholar. He also was an instructor at Yale University subsequently entering upon employment in the Division of Monetary Research, United States Treasury Department, as a junior economic analyst in April, 1939. In May, 1940, he was detailed to the Senate Banking and Currency Committee. His immediate supervisor while with the Treasury Department was Harry White, now Assistant Secretary of the Treasury. In September, 1942, Wheeler was employed in the Office of Strategic Services.

While in attendance at Yale University, Wheeler was friendly with David Hedley, who is now a Communist Party member in San Francisco, California. He is described by the individuals who know him to have fostered Communist fronts while in Connecticut attending the University and supported such institutions as the Spanish Aid Committee. On one occasion, according to a confidential source, Wheeler and his wife are known to have attended a Communist Party meeting in New Haven, Connecticut. He was active as an organizer for the Spanish Loyalist cause; is a member of the Washington Book Shop; Washington Committee for Democratic Action; and other alleged Communist front organizations. (u)

Victor Parls in the recent past has been in contact with Donald Wheeler and other individuals associated with suspected Soviet agents, have been seen in company with the Wheelers. (u)

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**Federal Bureau of Investigation
United States Department of Justice**

New York 7, New York



IN REPLY, PLEASE REFER TO
FILE NO. _____

DECLASSIFIED BY 3042 put/AR
ON 2/4/88

~~PERSONAL & CONFIDENTIAL~~
February 7, 1946

Director, FBI

Re: **NATHAN GREGORY SILVERMASTER, was, et al;**
ESPIONAGE-R

Classified by SP5 R19
Declassify on: OADR
6/8/83

Dear Sir:

Reference is made to the permission granted by the Bureau for the placing of an employee of this office in the employ of Dr. ABRAHAM B. WEINSTEIN, 20 E. 53rd Street, New York City, who is a suspect in the instant investigation. Since the request was made for the placing of such employee, the following information has come to our attention:

On Friday, February 1, 1946 a recent photograph of Dr. A. B. WEINSTEIN was exhibited to Informant GREGORY by Special Agents Thomas G. Spencer and Joseph M. Kelly, but the informant was unable to make any identification. At the same time the photograph was exhibited to the informant, she informed Agents Spencer and Kelly that on the day before, that is, January 31st, 1946, she had had a conversation with RAY ELSON, who is a subject in this investigation and who has made numerous visits to the office of Dr. WEINSTEIN. On this occasion, RAY ELSON advised GREGORY that both she and her husband were going to the office of a well-known dentist here in New York for dental treatment. She showed GREGORY just where she had received treatment on her teeth and also told GREGORY that she had known this dentist for a number of years, both as a former employee of his and also as an old-time patient. GREGORY stated that the manner in which RAY ELSON talked about her dentist and the information that she volunteered concerning him, left her with the impression that the visits of RAY ELSON to her dentist were actually for the purpose of dental work and nothing more.

Also, a review of the information received from Confidential Informant [redacted] has disclosed that the visits of JOSEPH GREGG, a subject of the instant investigation, were for dental treatment. JOSEPH GREGG has made, in all, four visits to Dr. WEINSTEIN's office. Prior to these visits, and subsequent to them, the information obtained from Confidential Informant [redacted] has indicated that the visits were for actual dental work. This is also true of the visits made to the office of Dr. WEINSTEIN by PETER RHODES, a subject of the instant investigation.

J
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b7D

65-14603
DES:MW

Let. NYC.
2/20/46
[Signature]

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EX-AA

~~CONFIDENTIAL~~

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~~CONFIDENTIAL~~

NY 65-14603
Letter to Director

February 7, 1946

Since there has been no definite indication at this time that WEINSTEIN is actually connected with this case, and since Informant GREGORY, was unable to make an identification of his photograph, it is felt that at this time it would not be wise to place an employee of this office in the employ of WEINSTEIN. It is felt that Confidential Informant [redacted] and other confidential informants who may be developed in the future, will definitely ascertain the connection of Dr. A. B. WEINSTEIN with the other subjects.

b2
b7D
u

Very truly yours,

E. E. Conroy
E. E. CONROY
SAC

~~CONFIDENTIAL~~

105
CONFIDENTIAL

198
18

February 20, 1946 **7**

SAC, New York
John Edgar Hoover Director, Federal Bureau of Investigation

NATHAN GREGORY SILVERMASTER, was, et al;
ESPIONAGE - R 64025

P
10-1-10A
RECORDED
19
11/18

Reference is made to your letter dated February 7, 1946, concerning the proposed plan of attempting to place an employee in the office of Dr. Abraham Benedict Weinstein, 20 East 53rd Street, New York City.

It is my desire to take issue with your conclusions cited in the final paragraph of referenced letter to the effect that there is no definite indication at this time that Weinstein is actually connected with this case. You point out that Gregory has been unable to identify a recent photograph of Weinstein. From a review of the files of the Bureau, it has not been ascertained from any information secured from Gregory that she actually observed an individual which she knew to be Weinstein at any time. Consequently her nonidentification of his photograph is certainly not of great importance.

Continued investigation in this case has reflected that many of the subjects have been in contact with Weinstein, and it is pretty hard to justify that each and every one of these persons for the length of time they have spent with him can be logically concluded to be receiving dental treatment. You will recall that Anna Louise Strong, who recently returned from the USSR, spent several hours with Dr. Weinstein. Ralph Bowman, who has been identified as "Al" in the Comrap case, has been in contact with Dr. Weinstein on two occasions. This coupled with many factors which I consider unnecessary to mention, would seem to negate your conclusion there is no definite indication that Dr. Weinstein is actually connected with this case. *du*

As concerns the subject discussed in your letter of February 7, 1946, it is my desire that you continue to be alert to place some reliable source of information in close proximity to the office activities of Dr. Weinstein. It is suggested that preparations be made to have an individual ready for such an occasion if it should arise in the future. *du*

12/1/63
Classified by *SP5 PJS/pt*
Declassify on: OADR

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 8/3/83 BY *SP5 KLG*

COMMUNICATIONS SECTION
MAILED
FEB 21 1946
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
12 87

- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Coffey _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Mr. Carson _____
- Mr. Egan _____
- Mr. Gurnea _____
- Mr. Hendon _____
- Mr. Pennington _____
- Mr. Quinn Tamm _____
- Mr. Nease _____
- Miss Gandy _____

DAF:edm

edw F
50 MAR 7 1946

CONFIDENTIAL

Office Memorandum

GOVERNMENT

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/19/83 BY SP6/DA

DATE: February 11, 1946

TO : MR. D. M. LADD

FROM : MR. G. H. CARSON

SUBJECT: ARGENTINE POLITICAL

30424/pt/07c
2/5/83

100-1024

Classified
by
Date
Declassify on

[REDACTED]

[REDACTED]

FEC:MMW

memo for the
Director
15-46

What do you
show on Deutsch?

SE 37
RECORDED
INDEXED

65-56402-508

F B I
36 MAY 28 1946

56 JUN 5 1946

Referred

Charles L. ...

CONFIDENTIAL 63

Office Memorandum

UNITED STATES GOVERNMENT

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED 44

3042 *4/1/88*
2/5/88

TO : THE DIRECTOR
FROM : D. M. LADD
SUBJECT: KAREL W. DEUTSCH

DATE: February 15, 1946

Classified by *SP2/EG*
Declassify on: OADR

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

[REDACTED]

[REDACTED]

Deutsch was interviewed in March, 1945 by Bureau Agents in an effort to secure information from him concerning nationalistic groups and linguistic minorities on the suggestion of Mr. Rotnem of the Civil Rights Section of the Department of Justice. At the time of this interview, Deutsch stated that he was born in Prague, Czechoslovakia and came to the United States from there in 1938. In 1943 he was engaged as an instructor on government and nationalistic movements in the Massachusetts Institute of Technology. Other information indicates that Deutsch originally came to the United States as an exchange student and was stranded here by the German invasion of Czechoslovakia.

Bureau files further reflect that in December, 1945 Deutsch telephoned Maurice Halperin, another former OSS man who also worked in McCormack's section of the State Department, advising that he had seen a copy of an FBI memorandum setting out an excellent analysis of the decodes of the HDZ clandestine radio traffic between Germany and South America. Deutsch appeared extremely excited concerning this memorandum. Again on February 12, 1946, Deutsch called Halperin to bring him up-to-date on developments concerning the release of the State Department's case against Argentina. He told Halperin that the Office of Interim Research and Analysis at the State Department had contributed heavily to the success of the campaign in the State Department to secure the release of the case against Argentina.

Maurice Halperin, formerly an OSS employee and more recently an employee of McCormack's Section of the State Department, according to MAWR 2-19-46 information was discharged on February 13th by the State Department because of his Communist connections. This discharge was apparently predicated on information furnished by the Bureau in connection with another case. Halperin is under investigation in the Silvermaster case, inasmuch as the informant in that case was put in contact with Halperin and stated that Halperin supplied information for delivery to the Russians.

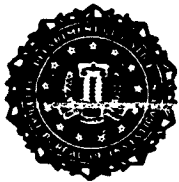
Deutsch is about 35 years of age, of Czech nationality, speaks English with a marked German accent, and is said to be a very aggressive individual and highly intelligent.

57 JUN 5 1946 *memos to add 2/25/46 FEC*

CONFIDENTIAL

File 5

Deutsch subsequently resigned



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United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.



IN REPLY, PLEASE REFER TO
FILE NO. _____

DECLASSIFIED BY SP6 BJA
ON 2/15/83 CP

*3042 put/BK
2/5/88*

CONFIDENTIAL

February 25, 1946

Director, FBI

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R

Dear Sir:

~~Confidential informant GREGORY has been supplying copies of "Distributors Guide", a publication edited by EARL BROWDER, to Agents of the New York Field Office and photostatic copies of this pamphlet have been directed to the Bureau in the above captioned case. However, in view of the fact that the material contained in these pamphlets refers to EARL BROWDER more specifically than it does to instant investigation, all future copies of "Distributors Guide" received from informant GREGORY will be forwarded to the Bureau under the caption EARL BROWDER, with aliases, INTERNAL SECURITY - R, New York Field Office file number 100-25693.~~

~~DEFERRED RECORDING~~

Very truly yours,
E. E. Conroy
E. E. CONROY,
SAC

TGS:CG
65-14603

RECORDED & INDEXED 65-56402-50
3/11
EX-37 2 MAR 1 1946
File with [unclear]

34
57 APR 4 - 1946

Mr. Tolson	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Glavin	.....
Mr. Ladd	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Carson	.....
Mr. Egan	.....
Mr. Gurnea	.....
Mr. Harbo	.....
Mr. Hendon	.....
Mr. Pennington	.....
Mr. Quinn	.....
Mr. Nease	.....
Miss Gandy	.....

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

FEB 28 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Classified by 50549
Declassify on: OADR
6/2/83

TELETYPE

~~CONFIDENTIAL~~

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

WASH 20 WASHINGTON FIELD 2
DIRECTOR AND SAC URGENT

FROM NEW YORK 25 7-16 PM

DECLASSIFIED BY 3042 fwt/psc
ON 2/5/88

NATHAN GREGORY SILVERMASTER, WAS, ETAL. ESPIONAGE R. THE SS MARSHAL GOVOROV WAS DAMAGED BY FIRE LAST SATURDAY NIGHT AND HAS BEEN SENT TO DRY DOCK FOR REPAIRS. IT IS NOT BELIEVED THERE IS ANY POSSIBILITY OF ITS SAILING ON FEBRUARY TWENTY EIGHTH AS SCHEDULED. IT IS NOT KNOWN BY WHETHER THE PASSENGERS WHO WERE TO DEPART ON THE GOVOROV, INCLUDING THE PRAVDINS, WILL BE TRANSFERRED TO ANOTHER SHIP OR WILL AWAIT THE REPAIR OF THE GOVOROV. [CONFIDENTIAL SOURCE ADVISED THAT RAY ELSON CONTACTED THE OFFICE OF DR. A. B. WEINSTEIN TODAY AND MADE AN APPOINTMENT FOR VERONA DANIEL HARDY, WA BILLIE HARDY. HARDY PREVIOUSLY IDENTIFIED AS FREQUENT CONTACT OF RAY ELSON. SHE HAS RECENTLY BEGAN EMPLOYMENT AT THE NFCL WHERE RAY ELSON IS EMPLOYED.]

CONROY
57 MAR 21 1946
HOLD PLS

RECORDED
INDEXED
56
FEB 28 1946
CONFIDENTIAL

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CONFIDENTIAL

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~~SECRET~~

PAGE TWO

[REDACTED]

b1

(S) NEWARK ADVISED AT FOUR
FIFTEEN PM TODAY THAT HARRY WHITE IS STILL IN DOWNTOWN NEWARK ALTHOUGH
HIS BAGS WERE PLACED IN THE CAR OF ABRAHAM WOLFSON THIS MORNING AND IT
IS POSSIBLE THAT HE IS RETURNING TO WASHINGTON TODAY.]

C/S u

~~SECRET~~

END PAGE TWO

CONFIDENTIAL

SECRET

SECRET

64023
~~CONFIDENTIAL~~

PAGE THREE

WHITE HAS TWO FRONT TEETH MISSING AND HAS MADE SEVERAL VISITS TO A DENTAL LABORATORY, INDICATING THAT HE MAY BE HAVING DENTAL WORK DONE. WFO REQUESTED TO FURNISH PHOTOGRAPH AND COMPLETE DESCRIPTION OF HELEN TENNEY AND TO FURNISH NY WITH SPECIFIC INFO WHEN TENNEY MAKES HER NEXT TRIP TO THIS CITY. RAY ELSON OBSERVED ENTERING DR. A. B. WEINSTEIN-S OFFICE AT FIVE FIFTEEN PM TODAY.

794

CONROY

END ACK IN ORDER

WFO
WFO

KTNYC R 22 WA

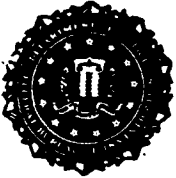
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NY R 3 WFO

V

SECRET

~~CONFIDENTIAL~~



97

Federal Bureau of Investigation
United States Department of Justice
New York 7, New York



IN REPLY, PLEASE REFER TO
FILE NO. _____

~~PERSONAL & CONFIDENTIAL~~
February 11, 1946

Director, FBI

Re: NATHAN GREGORY SILVERMASTER, was, et al;
ESPIONAGE-R

Dear Sir:

Reference is made to the report of Special Agent Edward W. Dooley, dated February 11, 1946, copies of which are enclosed herewith. Your attention is directed to the section captioned ALBERT EUGENE KAHN.

No reference is made in this report concerning KAHN's alleged proposed attack upon the Director, such investigation being conducted separately in this office.

Further reference is made to the letter of January 30, 1946 from this office captioned "ALBERT EUGENE KAHN; INTERNAL SECURITY-C", which letter includes a complete narration of the facts presently known to the New York Office concerning the aforementioned activity.

Very truly yours,

E. E. Conroy
E. E. CONROY
SAC

Handled separately

JCW:MW
65-14603

DECLASSIFIED BY *SP6 BJA*
ON *4/15/83*
3042 put/DIC
2/15/88

RECORDED

165-56402-512
F B I
24 FEB 27 1946

EX - 74

5-11-46

CONFIDENTIAL

SAC, Washington

3042 *part DTC 2/5/88*

February 18, 1946

John Edgar Hoover - Director, Federal Bureau of Investigation

**MATHEW OSBORN
ESPIONAGE - R**

**ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 8/5/83 BY SP5 P/CP**

Classified by *SP5 KJG*
Declassify on: OADR

Reference is made to your teletype dated February 13, 1946, and particularly to the information quoted as follows: "One Louise Wheeler contacted Helan Silvermaster on February 12 stating her husband, who is here on terminal leave and already has position at Treasury Department. She invited Silvermaster to a party Saturday night given for the Woods just returned from Portugal, and for the Hopelases (phonetic), who are leaving for the Philippines soon."

The individuals referred to as "the Woods," are undoubtedly Dr. James E. Wood and his wife, Lona, who returned sometime after January 1 to the United States from Lisbon, Portugal. Wood proceeded to Portugal as Financial Attaché assigned to the American Embassy there in approximately March, 1943. He continued in that capacity until his return to the United States, and with the exception of returning to Washington for consultation, probably was not out of Portugal during the time of his assignment there for any considerable length of time.

Wood, in his capacity as Financial Attaché, served two masters. He headed the Forward Intelligence Branch of the Office of Strategic Services and also was the United States Treasury representative. He holds a Ph.D. Degree from some Eastern college and is considered by some in the Treasury Department as a "brilliant" man on financial matters. It is known that at the time of the Bretton Woods Conference he was called back to Washington in order to attend and assist at this gathering.

While assigned in Portugal, he was not joined by his wife until sometime in early 1945, whereupon he took an expensive villa in Estoril (near Lisbon) and entertained extensively in diplomatic and so-called social circles.

RECORDED
65-56402-513
U. S. DEPARTMENT OF JUSTICE

Special Agent D. A. Flinn, who served as the Bureau's former representative in Portugal, learned confidentially

Wood's political beliefs are not known other than that they are probably liberal, particularly with reference to the financial structure of this country. He possesses an extremely arrogant and cocky personality and is not well liked by those people with whom he comes in contact. He is described as follows: Age, approximately 38; height, 5' 5" or 6"; weight, 135 pounds; build, medium; hair, brown and balding; eyes, blue; face, square; head, large for his physical build; nativity, American; wife, Mrs. Lona Wood; family, one child approximately seven years old.

DAF:NMJ

1946

lost

CONFIDENTIAL

96

~~CONFIDENTIAL~~

It is presumed that Wood, upon his return to the United States, returned to a position in the United States Treasury Department. It is known that he attempted to be assigned as United States Treasury representative in Madrid, Spain. However, the Embassy officials there, because of Wood's personality and past association with OSS, refused to accept him as the Treasury representative. Hence, his return to the United States. He will probably attempt to secure an assignment abroad since he personally liked to be abroad.

It was thought that the above information might be of assistance in continuing the investigation in this case.

cc - New York

~~CONFIDENTIAL~~

FEDERAL BUREAU OF INVESTIGATION
U S DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

~~CONFIDENTIAL~~

SECRET FEB 12 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Classified by 3042 [unclear] [unclear]
Declassify on: OADR TELETYPE

Classified by [unclear] 40519
Declassify on: OADR

pages 1 and 2 only re CA# 25-2588

WASHINGTON 2 AND NEW YORK 3 FROM WASH FIELD 12 6-40

DIRECTOR AND SAC URGENT

NATHAN GREGORY SILVERMASTER, WAS, ET AL, ESPIONAGE R. CONFIDENTIAL

SOURCE ADVISED THAT ONE HATHAWAY, PHONETIC ADVISED MRS. HISS THAT
ALGER WILL PROBABLY ARRIVE NEW YORK THURSDAY OR FRIDAY AND PROCEED
TO WASHINGTON BY TRAIN. THEY DISCUSSED UNO SITE AND AGREED THAT A
POOR SELECTION SITE HAD BEEN MADE. MRS. HISS STATED ALGER THOUGHT
IT DANGEROUS TO HAVE A CITY OF GOD COMPLEXED AND LOCATION IS NOT
TOO IMPORTANT. CONFIDENTIAL SOURCE ADVISED ON [REDACTED]

[REDACTED]

65-56402-514

END PAGE ONE
52 MAR 25 1946

SECRET
CONFIDENTIAL

- Mr. Tolson
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy

gbl

9

cb

93

CONFIDENTIAL

PAGE TWO

~~SECRET~~

Handwritten: 2nd of August

[REDACTED]

ON THIS DATE, ~~CONFIDENTIAL~~ CONFIDENTIAL INFORMANT ^{b1}
ADVISED SUBJECT LEE AND PAUL HELLIWELL HAD SENT WIRE TO OTTO DOERING
JR. FORT HILL ROAD, SCARSDALE NY. INDICATING THEY WERE COMING UP TODAY
^{AS} ~~■~~ PLANNED. APPARENTLY ONE LOUIE MAY ACCOMPANIED THEM. INFORMANT INDI-
CATED LEE-AND ASSOCIATES HAVE IN MIND A JOURNALISTIC VENTURE
POSSIBLY ~~■~~ NEWS SERVICE, OF ^S ~~■~~ SOME TYPE WHICH THEY WISH TO OPERATE

END PAGE TWO

Handwritten: 259

~~SECRET~~

CONFIDENTIAL

Handwritten: [Signature]

94
~~SECRET~~

~~CONFIDENTIAL~~

PAGE THREE

WITH EDITORIAL HEADQUARTERS IN NYC. CONFIDENTIAL SOURCE ADVISED
ON FEBRUARY ELEVEN, JENNIE MILLER WAS CONTACTED BY ELEANOR LEROY
WHO EXPRESSED HER ENJOYMENT OF PARTY AT THE MILLERS THE
OTHER NIGHT. JENNIE INVITED HER AND BARNEY LEROY TO SPEND THE
DAY SOMETIME. ON FEB. ELEVEN, CONFIDENTIAL SOURCE ADVISED JOAN
REDMONT COMPLAINED TO PHONE COMPANY ABOUT TELEGRAM CHARGED AGAINST
HER FEB. BILL WHICH SHE DID NOT RECALL. SHE ADVISED THE
WIRE WAS SIGNED BY BARR, PRESUMABLY DICK BARR, AND JOAN STATED QUOTE
OH YES, HE IS A FRIEND WHO OFTEN CHARGES TELEGRAMS TO OUR PHONE
UNQUOTE.

QU

HOTTEL

END

ACK IN ORDER PLS

WA WASH FIELD R 2 WA

NY WF WFO HOLD FOR NY PLS

WFO X R 3 NY

~~SECRET~~

~~CONFIDENTIAL~~

U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

FEB 13 1946

~~SECRET~~ TYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Classified by *6/2/83*
Declassify on: *2/5/88*


- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE *1/5/83* BY *SP6 bja/pr*

3042 put/brc 2/10/88
54018

WASHINGTON 1 AND NEW YORK 2 FROM WASHINGTON FIELD

DIRECTOR AND SAC URGENT

NATHAN GREGORY SILVERMASTER, WAS, ET AL, ESPIONAGE R. REFERENCE BY
TELETYPE YESTERDAY EVENING. JOYCE VINCENT REGISTERED ROOM NINE ONE
FOUR ROGER SMITH HOTEL, NOT GRACE DODGE HOTEL AS REPORTED INACCURATELY.
FURTHER REFERENCE TO CONFIDENTIAL SOURCE, 



RECORDED

INDEXED 65-56402-515

END PAGE ONE

MAR 25 1946

~~SECRET~~

cc: Mr. Whitson

bl

64019 **SECRET**

[REDACTED]

CONFIDENTIAL SOURCE

ADVISES ON

[REDACTED]

ONE LOUISE [REDACTED] b1

WHEELER, CONTACTED HELEN SILVERMASTER ON FEB. TWELVE STATING HER HUSBAND ART IS HERE ON TERMINAL LEAVE AND ALREADY HAS POSITION AT TREASURY DEPT. SHE INVITED SILVERMASTERS TO A PARTY SATURDAY NIGHT GIVEN FOR THE WOODS JUST RETURNED FROM PORTUGAL AND FOR THE HOPE [REDACTED] PHONETIC, WHO ARE LEAVING FOR [REDACTED] PHILLIPINES SOON. CONFIDENT [REDACTED] INFORMANT ADVISES ANNE WHITE RECEIVED DINNER INVITATION BY LOUISE COX, WIFE OF OSCAR COX, FOR FRIDAY NIGHT WHICH SHE DECLINED, STATING HARRY WAS GOING TO NEW YORK THURSDAY FOR A WEEK. ON FEB [REDACTED]

END PAGE TWO

SECRET

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PAGE THREE

TWELVE, ANNE WHITE CONTACTED [REDACTED] RUSSIAN RELIEF TO INQUIRE IF THEY ARE STILL COLLECTING CLOTHING FOR [REDACTED] RUSSIA AND WAS ADVISED QUOTE YES UNQUOTE. ONE THE SAME DATE, ANNE WHITE CONTACTED DOROTHY DUBOIS INDICATING DOT LEFT A FEW THINGS BELONGING TO HER CHILD AT THE WHITE HOME. ANNE [REDACTED] INQUIRED IF JOE DUBOIS IS OUT OF TOWN AND WAS TOLD HE IS AT SILVER SPRING NOW.] *Φα*

HOTTEL

END

ACK IN ORDER PLS

WA S. AMWFO R 1 WA

NY WA HOLD FOR NY PLS

WFO R2 NY

SECRET

CONFIDENTIAL

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

FEB 14 1946

3/5/49 TELETYPE
Declassify on: OADR
6/2/13

- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

64017

WASHINGTON 5 AND NEW YORK 2 FROM WASHINGTON FIELD

DIRECTOR AND SAC URGENT

NATHAN GREGORY SILVERMASTER, WAS, ET AL, ESPIONAGE R. CONFIDENTIAL

INFORMANT ADVISED JOAN REDMONT CONTACTED MRS. REMINGTON AND LATTER INVITED JOAN AND BERNIE REDMONT TO THEIR HOME FRIDAY NIGHT, FEB. TWENTYSECOND, INDICATING BOB CLAYMAN AND THE ALLENS, POSSIBLY THE WARD ALLENS, WERE INVITED. MRS. REMINGTON INDICATED BOB WANTS TO GO TO MOSCOW AND HE KNOWS RUSSIA. SHE STATED REMINGTON DEFINITELY HAS A JOB FOR A YEAR AT WILLIAMS COLLEGE, BUT WANTS TO GO TO RUSSIA AND STUDY AND WRITE. CONFIDENTIAL INFORMANT ADVISED ON NIGHT FEB. THIRTEEN ELIZABETH SASULY VISITED SILVERMASTER RESIDENCE. SHE ATTEMPTED TO CONTACT NATHAN WITT, EDNICOTT TWO SIX ONE FIVE NINE, NEW YORK, MAKE CHARGE TO HER OFFICE, EXECUTIVE THREE TWO SEVEN EIGHT. HOWEVER, SHE WAS UNABLE TO CONTACT WITT. ON FEB. THIRTEEN, ANNE WHITE ADVISED ANNE FELTUS THAT HARRY WAS GOING TO NEW YORK BUT WOULD BE BACK FOR THE HOLIDAYS AND BRING HOUSE FULL OF GUESTS. FURTHER, ON MARCH EIGHT HE WOULD VISIT SAVANNAH FOR CONFERENCE. INDICATIONS STILL THAT WHITE WILL DEPART WASHINGTON THIS EVENING, PRESUMABLY ENROUTE NEWARK WHERE ABE WOLFSON WILL MEET HIM AS PLANNED LAST WEEK.

HOTTEL

END

ACK IN ORDER PLS

WA WFO R 5 WA

CONFIDENTIAL

RECORDED
EX-INDEXED
314

5-56402-511
MAR 4 1946

cc: Mr. Whitson

86

ku

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

February 23, 1946

The Honorable
The Secretary of the Treasury
Washington, D. C.

DECLASSIFIED BY SP6 bja
ON 4/5/83
3042 pwt/djc
2/5/88

My dear Mr. Secretary:

With reference to the conference had with you on Friday,
February 22, 1946, I am attaching hereto a memorandum setting forth
the employment record of Nathan Gregory Silvermaster with the United
States Government.

Sincerely yours,

J. Edgar Hoover

Enclosure

65-56402-517
FEDERAL BUREAU OF INVESTIGATION
MAR 4 1946
U. S. DEPARTMENT OF JUSTICE

COMMUNICATIONS SECTION
By Spec Mess
FEB 23 1946
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

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MAR 8 1946

February 23, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/83 BY sp6 bja

MEMORANDUM

RE: UNITED STATES GOVERNMENT EMPLOYMENT
RECORD OF NATHAN GREGORY SILVERMASTER

3082 part of 2/5/

August 1935 to November 1938 - Employed as Senior Economist, Resettlement Administration

November 1938 to June 1940 - Employed as Chief Economist, U. S. Maritime Labor Board

June 1940 to May 1944 - Held a position as Director of the Labor Division, Farm Security Administration, Department of Agriculture

On June 15, 1944, Paul King, Personnel Officer, Procurement Division, Treasury Department, requested the Farm Security Administration to approve the transfer of Nathan Gregory Silvermaster to the Procurement Division of the United States Treasury Department.

August 3, 1944, Mr. Frank Hancock of the Farm Security Administration communicated with Mr. Paul McDonald of the United States Treasury Department approving the loan of Silvermaster to the Treasury Department beginning on July 17, 1944.

With further reference to the loan of Silvermaster, on October 17, 1944, Mr. Claude Wickard directed a letter to the Farm Security Administration requesting that the loan of Silvermaster be extended for a period of sixty days.

On December 29, 1944, the War Transfer Unit approved the transfer of Nathan Gregory Silvermaster from the Farm Security Administration to the Procurement Division of the Treasury Department as an Economist, Federal Property Priority No. 2. The release was signed by E. C. Webb, Chief, Personnel Section, Farm Security Administration.

On May 1, 1945, the work handled by Silvermaster which dealt with surplus property was transferred to the Department of Commerce, and Nathan Gregory Silvermaster was included in the transfer.

November 9, 1945, the handling of surplus property by the Department of Commerce was transferred to the Reconstruction Finance Corporation, and Nathan Gregory Silvermaster was also included in this transfer.

January 15, 1946, Silvermaster was transferred as Chief of the Division of Economic Analysis, War Assets Corporation, a subsection of the Reconstruction Finance Corporation, which position he presently holds.

65-56402-317
ENCLOSURE

JCS:edm

edm

DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 27 1946

TELETYPE

- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Mr. Carson _____
- Mr. Egan _____
- Mr. Gurnea _____
- Mr. Harbo _____
- Mr. Hendon _____
- Mr. Pennington _____
- Mr. Quinn Tamm _____

2/19

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/83 BY SP5 [signature]

*3042 [signature]
2/8/88*

WASHINGTON 2 AND NEW YORK 2 FROM WASHINGTON FIELD 27

DIRECTOR AND SAC URGENT

NATHAN GREGORY SILVERMASTER, WAS, ETAL, ESP R. REFER BUREAU TELETYPE
TO ANCHORAGE THIRTEENTH INSTANT CONCERNING BORIS [redacted] WITTE. NO
RECORD PASSPORT DIVISION, STATE DEPT. CONCERNING BORIS [redacted] WITTE.
ANCHORAGE ADVISED.

RECORDED

165-56402-518
FBI

130 MAR 4 1946

HOTTEL

END ACK IN ORDER

- WA WFO R 2 WA 357 [signature]
- NY WA R2 NY [signature] 2 1946

cc: Mr. [signature]

84

OFFICE MEMORANDUM - UNITED STATES GOVERNMENT

TO : THE DIRECTOR
FROM : Mr. D. M. LADD

DATE: February 20, 1946

64016

SUBJECT: ATTITUDE TOWARD INTELLIGENCE BY
GENERAL DWIGHT EISENHOWER

BACKGROUND

Walter Silvermaster

In a memorandum dated February 6, 1946, details of a conversation between Bill McAndrew and General Eisenhower concerning the subject of intelligence were set out. General Eisenhower made a most direct reference to recent revelations concerning the Guzenko case in Canada appearing in Drew Pearson's column but stated the only thing to do would be to let the known spy continue his operations, feeding him misinformation along with good data periodically. He stated that the worst crime against the country would be to let the spy or his superiors know that his activities were compromised.

General Eisenhower commended British Intelligence, stating that their services were outstanding and that although they put up the front that they were very unintelligent, this was done for smoke screen purposes.

OBSERVATIONS

Undoubtedly General Eisenhower's attitude toward intelligence has been strongly influenced by his close relationships with the British during the war when British Intelligence operated one of the most effective and audacious programs ever accomplished. It is estimated that this program saved thousands of lives of British and American troops in the North African and European invasions. Consequently, General Eisenhower's attitude is quite understandable. However, the situation as it prevails in this country at the present time is somewhat different, counterintelligence having two purposes, namely the identification of foreign agents and deception, i.e. the supplying of information to a foreign power through double agents and other means can only be partially accomplished at the present time. As an example, the Silvermaster investigation in the United States has definitely determined that the Soviet Intelligence Service (NKVD) has informants very high in Government circles. Although the Bureau can carry on its program of identifying Russian agents, it can never, under the present situation where the United States is strongly infiltrated by Russian agents, engage in an effective deception program. Deception is impossible because the Soviets have collateral authoritative sources which would compromise any double agent operation within a very short time. This being the situation, General Eisenhower's comments are accurate as far as they go.

SUGGESTION

It was thought that you might desire when you next come in contact with General Eisenhower to give him a thumbnail sketch of the Silvermaster case and raise particular point, that is, if the United States Government in its counterintelligence program ever desires to engage in deception, it is impossible as long as collateral authoritative sources serving the Russians are still in high positions. It is believed that the support gained from General Eisenhower if he knew the situation would inure to the benefit of the Bureau.

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FEDERAL BUREAU OF INVESTIGATION

EX-32

ALL INFORMATION CONTAINED

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59 MAR 14 1946

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2/5/88

83

U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 1 1945

Mr. Tolson	
Mr. E.A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Miss Gandy	

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/5/88 BY SP5/BJC

3042 PWT/DIC 2/5/88

WASH FROM NEW YORK 35 1 9-08 PM

64013

DIRECTOR URGENT

NATHAN GREGORY SILVERMASTER, WAS., ETAL . INTERNAL SECURITY-R. THE SEVENTH EDITION OF TODAYS NY WORLD TELEGRAM CARRIES AN ARTICLE INTITLED. "BROWDER ACCUSED COMMINIST CHIEFS OF FRAME-UP AND SLANDER." THIS ARTICLE WRITTEN BY FREDERICK WOLTMAN AND SUMMARIZES FROM EARL BROWDER-S "APPEAL OF EARL BROWDER TO THE MEMBER S OF THE CPUSA." A COPY OF THIS APPEAL WAS PREVIOUSLY FURNISHED THE BUREAU. COPY OF INSTANT NEWSPAPER ARTICLE TO BE FORWARDED TO BUREAU.

CONROY

HOLD PLS

56 MAR 13 1946

RECORDED
&
INDEXED
MAR 5 1945
65-56402
cc: [handwritten notes]

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 1 1946
TELETYPE

Handwritten initials and scribbles in the top left corner.

Large handwritten signature or initials in the top right corner.

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease

WASHINGTON 13 NEWARK 1 FROM CHICAGO

6-53 PM

DIRECTOR AND SAC NEWARK

URGENT

64014

NATHAN GREGORY SILVERMASTER, WAS, ETAL - ESPIONAGE R. REBUTEL THIS DATE BUREAU REQUESTS SPOT SURVEILLANCE ON DR. ABRAHAM WOLFSON WHILE IN CHICAGO. NEWARK REQUESTED TO FURNISH COMPLETE PHYSICAL DESCRIPTION, AS WELL AS DRESS AND LUGGAGE OF WOLFSON. SPECIFIC PLANE RESERVATIONS REQUESTED ALSO.

MC SWAIN

RECORDED

65-56402-55
F B I
2 MAR 5 1946
cc Mr. Whitson

END ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
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3042 fwt/dtc
2/5/88

50 MAR 13 1946

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

81
FEB 25 1946 85 837

TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
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OTHERWISE

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Declassify on *[Signature]*
CONFIDENTIAL

WASHINGTON 5 WASHINGTON FIELD 1 NEW YORK 4 AND CHICAGO 1

FROM NEWARK 2-28 5-10

DIRECTOR AND SACS URGENT

64013

NATHAN GREGORY SILVERMASTER, WAS ETAL ESPIONAGE R. DR. ABRAHAM
XWOLFSON WAS. WHO IS A BROTHER IN LAW OF HARRY DEXTER WHITE AND HAS
BEEN CONTACTED BY WHITE. INFORMANTS ADVISE THAT WOLFSON IS LEAVING
FOR CHICAGO VIA UNITED AIRLINES, FLIGHT TWO ONE ONE, FIVE P. M.
SATURDAY, MARCH TWO NEXT. HE WILL RETURN VIA UNITED AIRLINES FLIGHT
EIGHT, LEAVING CHICAGO EIGHT NAUGHT FIVE P. M. MARCH FIVE NEXT.
INDICATIONS ARE THAT WOLFSON PLANS TO VISIT GIRLFRIEND IN CHICAGO AND
INFORMATION INDICATES HE MAY BE MAKING THE TRIP TO BE MARRIED. REQUEST
FOR PHYSICAL SURVEILLANCE OF WOLFSON WHILE IN CHICAGO BEING LEFT TO
DISCRETION OF BUREAU AND NO REQUEST IS BEING MADE BY NEWARK OFFICE

END ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 8/5/83 BY SP8

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RELAY PLS

NK R RELAY FOR CTXXX CKLUV

NK R RELAY FOR CGO WA

NK.R 4NY

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6/5/88
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INDEXED 16 MAR 6 1946
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[Various signatures and initials]

79

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

WIRE

To: COMMUNICATIONS SECTION.

MARCH 1, 1946

URGENT

RECORDED
X 11-12
65-56402-522

Transmit the following message to: SAC, CHICAGO
NATHAN GREGORY SILVERMASTER, WAS, ET AL, ESPIONAGE R. RE NEWARK TELETYPE TO
BUREAU, CHICAGO AND OTHER OFFICES FEBRUARY TWENTYEIGHT LAST CONCERNING TRIP
TO CHICAGO OF DR. ABRAHAM WOLFFSON MARCH TWO NEXT. CHICAGO INSTRUCTED PLACE
SPOT CHECK SURVEILLANCE ON WOLFFSON WHILE IN CHICAGO AND IDENTIFY ANY PERTINENT
CONTACTS.

DOOVER

New York
Washington Field
(By Mail)

64011

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/83 BY 305 R/G
607

3042 part/DIC
2/5/88

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

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2418
7 9 1946

U S DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 1 1946

TELETYPE

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SENT VIA

7-12 P M

Per

Handwritten initials

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

78

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

FEB 28 1946

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OTHERWISE

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Declassify on: OADR

Harvey
3042 put/DR
3042 put/DR
4/19/88

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease
Miss Gandy

WASH 11 WASH FRIELD 2 FROM NEW YORK 28 6-44 PM
DIRECTOR AND SAC URGENT
3042 put/DR
4/19/88 64010

NATHAN GREGORY SILVERMASTER, WAS, ETAL. ESPIONAGE R. CONFIDENTIAL
SOURCE ADVISED TODAY THAT THE PRAVDINS ARE SCHEDULED TO SAIL ON THE SS
SERGEI KIROV WHICH IS NOW IN PHILADELPHIA BUT WHICH IT IS EXPECTED WILL
DOCK IN NY ABOUT NEXT SATURDAY. IT IS SCHEDULED TO SAIL FROM NY BE-
TWEEN MARCH SEVENTH AND TENTH.

[REDACTED]

KORCHIEN SUBJECT b1
OF INTERNAL SECURITY INVESTIGATION NYC. ALSO KNOWN AS PRO-COMMUNIST
LEADER IN ARCHITECTURAL FIELD. INVESTIGATION DISCLOSES URSULA WASSERMAN
ARRIVED IN US NINETEEN THIRTY NINE VIA ENGLAND FROM GERMANY. NATURALIZED
AUGUST, NINETEEN FORTY FOUR, NYC. REPORTED TO HAVE BEEN EDITOR OF
"BLACK BOOK" JEWISH CP PUBLICATION CONCERNING HITLER IN GERMANY.
S PACIFIC EXPRESS DUE TO SAIL FROM NY MARCH ONE FORTY SIX. WASSERMAN
AS BOOKED PASSAGE TO BUENOS AIRES. ARRANGEMENTS MADE WITH US CUSTOMS
NYC TO CONDUCT DISCREET SEARCH OF WASSERMANS BAGGAGE.

RECORDED 165-56402-523
EX-INDEXED
MAR 6 1946

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on basis of...

~~CONFIDENTIAL~~

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
RECEIVED TELETYPE UNIT
MAR 4 1946
TELETYPE UNIT
TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

W
314
419

Handwritten signatures and initials

CONFERENCE TO WASHINGTON 7 AND NEWARK 1 FROM CHICAGO 4 6-02P
DIRECTOR AND SAC NEWARK URGENT 64009

NATHAN GREGORY SILVERMASTER, WAS, ESPIONAGE - R. REFERENCE IS MADE TO CHICAGO TELETYPE OF MARCH SECOND ADVISING DR. ABRAHAM WOLFSONS FLIGHT NEW YORK TO CHICAGO HAD BEEN CANCELLED. UNITED AIRLINES, CHICAGO, THIS DATE ADVISES WOLFSONS TICKET NEW YORK TO CHICAGO WAS CANCELLED ON ACCOUNT OF WEATHER BUT THAT HE CONTINUES TO HOLD A RESERVATION ON UNITED AIRLINES FLIGHT EIGHT, CHICAGO TO NEW YORK. THIS RESERVATION MADE FOR WOLFSON IN WASHINGTON. WOLFSON ALSO HOLDING A SEAT TO WASHINGTON ON PCA FLIGHT FOUR TWELVE SAME DATE. UNITED AIRLINES ADVISES WOLFSON HAS MADE NO CONTACT WITH THEM IN CHICAGO TO DATE AND THAT THEY WILL HOLD HIS SPACE UNTIL FIVE PM MARCH FIFTH. NO INDICATION OF WOLFSONS PRESENCE IN CHICAGO AT THIS POINT.

HANDLED BY

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INDEXED

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524

MC SWAIN

56 MAR 14 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-16-88 BY SP5 JAH/wh. Whitson

Transmitted to Wash DC 3042 Part/DIC 2/5/88

77

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Federal Bureau of Investigation
United States Department of Justice
New York, New York

Mr. Tolson.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Glavin.....
Mr. Ladd.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Tracy.....
Mr. Carson.....
Mr. Egan.....
Mr. Gurnea.....
Mr. Harbo.....
Mr. Hendon.....
Mr. Pennington.....
Mr. Quinn Tamm.....
Mr. Nease.....
Miss Gandy.....
ET AL.....

February 21, 1946

Classified by SP5 RJP
Declassify on: OADR
6/2/83

~~CONFIDENTIAL~~

Director, FBI

RE: N. GREGORY SILVERMASTER, with aliases;
ESPIONAGE - R

Reference is made to Confidential Informant [redacted] which informant has supplied information for the past two months on information obtained from the office of Dr. ABRAHAM BENEDICT WEINSTEIN, 20 East 53rd Street, New York City.

b2
b7D

Since the installation of this technical informant it has been ascertained that ABRAHAM B. WEINSTEIN is in contact with JOSEPH GREGG, PETER RHODES and RAY NELSON, all of whom are subjects of the instant investigation. Further, this informant has advised that Dr. ABRAHAM B. WEINSTEIN has been in contact with ANNA LOUISE STRONG and RALPH BOWMAN, both of whom are subjects of Internal Security - R investigations.

Since it is felt that the information obtained through this informant has been of value to the instant investigation, it is felt that further use of this informant is necessary at this time, and this office will continue to make use of this informant.

Very truly yours,
E. E. CONROY
SAC

DECLASSIFIED BY 3042 pwt/DJC
ON 2/5/88

DES:RMJ
65-14603

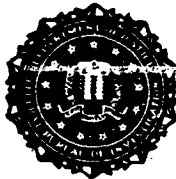
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EX-137

65-56402-525
FBI
MAR 5 1946
CONFIDENTIAL



MAR 12 1946



United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.

IN REPLY, PLEASE REFER TO
FILE NO. _____

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Mr. Tolson	.....
Mr. Clegg	.....
Mr. Glavin	.....
Mr. Ladd	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Carson	.....
Mr. Egan	.....
Mr. Gurnea	.....
Mr. Harbo	.....
Mr. Hendon	.....
Mr. Pennington	.....
Mr. Quinn Tamm	.....
Mr. Nease	.....
Miss Gandy	.....

~~PERSONAL AND CONFIDENTIAL~~

Declassify on: OADR

February 25, 1946

eo
819
u

Director, FBI
Classified by SP5 KJG/CP
Declassify on: OADR
6/11/83

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R

Dear Sir:

In connection with the investigation of this case the services of Confidential Informant [redacted] have been utilized for the purpose of ascertaining the activities of FERRUCCIO MARINI, with aliases, editor of L'Unita del Popolo at 13 Astor Place, New York City.

MARINI, according to Confidential Informant GREGORY, introduced the informant to JACOB SOLOS, who at that time was a known Soviet agent. Confidential Informant [redacted] as furnished information that MARINI is actively engaged in contacting high functionaries of the Communist Party such as WILLIAM Z. FOSTER, STEVE NELSON, and so forth, and that he is active in the Italian-American branch of the Communist Party.

Additional information is also being furnished by Confidential Informant [redacted] concerning the Italian Communist weekly, L'Unita del Popolo, which is pertinent to and being reported in the case files in the New York Field Division on L'Unita del Popolo and FERRUCCIO MARINI, with aliases.

Because of this assistance it is suggested that the services of Confidential Informant [redacted] be continued.

Very truly yours,

E. E. Conroy
E. E. CONROY,
SAC

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ON 2/5/88

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65-14603

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

75

MAR 2 1946
TELETYPE

Harvey

- Mr. Tolson.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Glavin.....
- Mr. Ladd.....
- Mr. Nichols.....
- Mr. Rosen.....
- Mr. Tracy.....
- Mr. Carson.....
- Mr. Egan.....
- Mr. Gurnea.....
- Mr. Harbo.....
- Mr. Hendon.....
- Mr. Pennington.....
- Mr. Quinn Tamm.....

WASH 1 NEWARK 1 FRM CGO 3-2-46 10:35

DIRECTOR AND SAC NEWARK URGENT 64008

NATHAN GREGORY SILVERMASTER, WAS. ETAL- ESPIONAGE R.
 RE NEWARK TELETYPE FEB. TWENTYEIGHTH. UNITED AIRLINES
 CHICAGO THIS EVENING ADVISED FLIGHT TWO ELEVEN SCHEDULED TO
 DEPART NEW YORK FIVE PM MARCH 2 HAS BEEN CANCELLED. NEWARK
 REQUESTED TO ADVISE DR. ABRAHAM WOLFSON'S DEPARTURE FOR
 CHICAGO GIVING RESERVATIONS IF POSSIBLE.

MCSWAIN

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RECORDED

65-56402-527
MAR 6 1946

ALL INFORMATION CONTAINED
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DATE 4/5/83 BY SP6 bit/pt

PLS ACK

MAR 11 1946

cc: Mr. Whitson

70

ROX

RECORDED

65-56403-528

EX-11

cc - Mr. Strickland
cc - Mr. Ladd
cc - Mr. Tammersonal AND CONFIDENTIAL
BY SPECIAL MESSENGER

February 21, 1946

64003

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/83 BY SP5 RJA/LPT
3042 pwt/DIC
2/5/88

The Honorable
The Secretary of State
Washington, D. C.

My dear Mr. Secretary:

With reference to my conversation with you on Tuesday,
February 19, 1946, I am attaching hereto a summary of information
concerning Alger Hiss which I thought would be of interest to
you.

Sincerely yours,
J. Edgar Hoover

Declassified by SSA on 2/5/87 J.K.

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U. S. DEPT. OF JUSTICE

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By Spec. Mess. B 55 1 10 PM '46

FEB 29 1946

U. S. DEPARTMENT OF JUSTICE

FEB 13 1946

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D.L.

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February 21, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/88 BY sp5 RIG

ALGER HISS Summary

64004

BACKGROUND

Alger Hiss was born on November 11, 1904, at Baltimore, Maryland, and received an LL.B. Degree from Harvard University. He is married to Fricilla Hiss, former wife of Francis Thayer Hobson. Hiss was employed from 1929 to 1930 as secretary to Justice Holmes of the United States Supreme Court. He then held positions with law firms in New York City and on May 12, 1933, obtained the position of Principal Attorney in the Agricultural Adjustment Administration, Department of Agriculture. On April 4, 1935, he resigned from the Department of Agriculture and in the same year was employed as a Special Attorney by the Justice Department. On August 11, 1936, he resigned and in the same year became an Assistant to an Assistant Secretary of State. He has remained with the Department of State since that date and on November 16, 1944, was made Deputy Director, Office of Special Political Affairs, State Department. In 1945 Alger Hiss was Secretary General to the United Nations Conference on International Organization held at San Francisco, California. Hiss is at the present time serving with the Department of State on United Nations matters.

A confidential source of information considered reliable has stated that in 1941 the name of Mrs. Alger Hiss (Fricilla), with a further notation "husband with State Department," appeared on the membership list of the Washington Committee for Democratic Action, an alleged Communist front organization. The records of the Hiss Committee, United States House of Representatives, furnished information reflecting that Alger Hiss, a Legal Adviser in the State Department, was in 1941 a member of the Washington Committee for Democratic Action, an alleged Communist front organization.

EX-11

INDEXED

65-56402-528

Whittaker Chambers, presently a senior editor of Time Magazine and formerly an important member of the Communist Party was also a writer of the "Daily Worker", reported in May, 1945, that Alger Hiss and his brother, Donald Hiss, were members of the underground organization of the Communist Party in Washington, D. C., as early as 1933. Chambers stated that the Communist Party had planned to enlist the services of Donald Hiss to handle the Harry Bridges case in California because of the influence he might have through his employment in the Department of Labor. Whittaker Chambers also stated that Alger Hiss was a member of the Communist Party as late as 1937, was a member of the Communist underground and was quite active with a Communist group in Baltimore, Maryland. Also, according to Chambers, Fricilla Hiss was alleged to have been a Socialist during the early days of the New Deal. In May 1945 Whittaker Chambers also advised that while Alger Hiss was employed in the Agricultural Adjustment Administration, Department of Agriculture, which employment is known to have been

- Tolson _____
- E. A. Tamm _____
- Clegg _____
- Coffey _____
- Glavin _____
- Ladd _____
- Nichols _____
- Rosen _____
- Tracy _____
- Acers _____
- Carson _____
- Harbo _____
- Hendon _____
- Mumford _____
- Starks _____
- Quinn Tamm _____
- Nease _____
- Gandy _____

L. Whitson: J.J. Mehan: VPS

Deleted Copy Sent Peter H. Evans
by letter 4-24-75 - J.S. Kralc

Revised Copy Sent Allen Weinstein
by letter 7-7-75 JOL

from May 1933 to August 1934, Hiss met on several occasions with Harold Ware's group, which group was a part of the underground Communist Party operating in Washington, and that on these occasions Hiss attended group meetings which were held in the home of Henry Collins. Harold Ware, leader of a group of Government employees who obtained information for the Soviets and who was, according to Chambers, a former Soviet courier, was killed in about 1935. Henry Collins, a member of this group, was formerly in the Forest Service of the Department of Agriculture. Chambers advised that Alger Hiss later went with the Senator Nye Examinations Committee and that he was soon segregated from the Harold Ware group and had no further contact with it other than social meetings with the members. Hiss was in the employment of the Nye Committee from August 1934 to August 1935.

Chambers advised that he had no reason to believe that Alger Hiss had ever broken with the Communist Party. He stated that on one occasion, some time after the spring of 1937, he made a special trip to the home of Alger Hiss in Georgetown, Washington, D. C., with the intention of talking to Hiss in an effort to persuade him to leave the Communist Party. Chambers stated that he had dinner and remained almost the entire night with Hiss and that at the conclusion, Alger Hiss, with tears streaming down his face, refused to break with the Communist Party and gave as his reasons his loyalty to his friends and his principles. Chambers stated that in his opinion one of the strongest reasons for Hiss' maintaining contact with the Communist Party was the fanatic loyalty to the Party on the part of his wife.

A confidential source believed reliable has provided information that Alger Hiss was the former chairman of the Research Committee of the International Juridical Association, which association was closely affiliated with the International Labor Defense, the latter group having served as the legal arm of the Communist movement. The International Juridical Association was formed in 1931.

RECENT ALLEGATIONS

An individual active in behalf of the Soviet espionage organization in the United States from October 1938 to the present time, who will be referred to as Gregory, in November and December, 1945, furnished the following information regarding Alger Hiss.

Gregory related that Harold Glasser, who had been working in Europe for the United States Treasury Department for a time in 1944, had dropped out of a Communist underground group engaged in espionage activities for the Soviets in Washington, D. C. It is noted that Harold Glasser was appointed Assistant Director of the Division of Monetary Research, United States Treasury Department on November 16, 1938. He is presently employed by the Treasury Department and represented the Treasury Department in 1944 at conferences on Italian financial matters. Gregory stated that Victor Perle, an employee of the United States

Treasury Department who was the nominal head of the underground group, had told Gregory that Glasper had asked him if he, Glasper, would be able to return to Furle's group. Gregory indicated this conversation took place shortly after Glasper returned from his trip to Europe in 1944. Furle, in explaining why Glasper had left the group originally, stated that Glasper and one or two others had been taken away from him by an American in a Government agency in Washington and had been turned over to some Russian for direct control. Furle informed Gregory that he did not know the identity of this American but that Charles Kramer, an employee of the Maritime Health and Education Subcommittee of the United States Senate who was also connected with the Furle group, was the only person who had been in possession of this information. Gregory stated that at a later date in talking with Charles Kramer in New York City, probably in later 1944 or early 1945, the matter had come up and Kramer stated that the person who had taken Glasper away from the Furle group was named Hiss and that Hiss was employed by the United States Department of State.

Gregory also stated that a Soviet espionage agent known only as "Jack" who informed by Gregory in the spring of 1945 of the circumstances regarding Glasper and that Gregory had obtained an article concerning the United States Department of State from the newspaper "Pravda" in which Hiss was mentioned. At that time the Soviet agent known as "Jack" informed Gregory that he had learned the identity of Hiss.

Gregory further stated that on one occasion - exact date not recalled, Nathan Gregory Silvermaster, known to Gregory as an employee of the United States Treasury Department and the head of another Communist underground group operating for the Soviets in Washington, D. C., had complained that Victor Furle was upsetting existing arrangements among the members of his group in Washington and asked if Gregory could do something to remedy the situation. Gregory told a Soviet espionage agent known only as "Bill" to whom Gregory was reporting at that time about Silvermaster's complaint. The exact date of this conversation is not recalled by Gregory but it is known that Gregory reported to his Russian contact "Bill" between November 1943 and September 1944. "Bill" stated that he knew a person named "Gene" who could "lay down the law to those boys and straighten them out." It was Gregory's impression that he was referring to Hiss who had been mentioned in the "Pravda" article referred to above and who was stated to be an advisor to Dean Acheson at the Department of State.

The files of the United States Department of State reflect that no one by the name of Gene or Eugene Hiss has been employed by that Department. However, Alger Hiss, residing at 3120 P Street, N. W., Washington, D. C., is an employee of the State Department.

Alger Hiss departed from the United States for London, England, in December, 1945, to attend a session of the United Nations Organization. Prior to his departure a confidential source of information considered reliable ascertained that both he and his wife had attended the Senate hearings on the question of atomic power and that Hiss had closely read the Smythe report on the atom bomb.

- Tolson _____
- E. A. Tamm _____
- Clegg _____
- Glavin _____
- Ladd _____
- Nichols _____
- Rosen _____
- Tracy _____
- Acers _____
- Carson _____
- Harbo _____
- Hendon _____
- Manford _____
- Starks _____
- Quinn Tamm _____
- Nease _____
- Mundy _____

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64007

During the several weeks prior to December 28, 1945, when Hiss departed for London, he was primarily engaged in activities relating to his trip as a representative of the State Department and during this period, he made no significant contacts with individuals believed to be connected with Soviet espionage activity.

Information has now been received that Hiss is reported to have returned to the United States from London.

69

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

~~SECRET~~

DATE: March 4, 1946

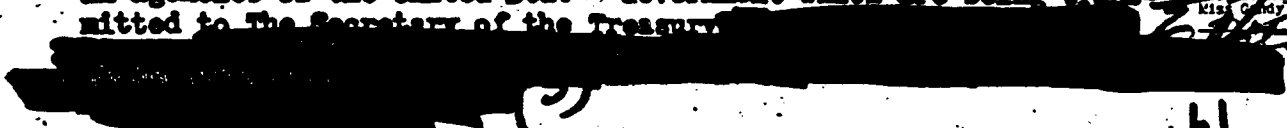
FROM : D. M. Ladd

SUBJECT: _____

64002

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Gandy

Attached hereto are mimeographed copies containing a summary of underground Soviet espionage organizational activity in agencies of the United States Government which are being transmitted to The Secretary of the Treasury



You will recall this is a summary of information to date concerning the Nathan Gregory Silvermaster case.

If you agree, I recommend that the Liaison Section personally deliver the copy to The Secretary of the Treasury, Fred M. Vinson.

Attachments

Done 3/14/46

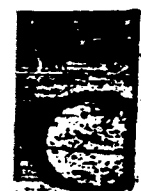
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4/5/83
3042 [unclear] 2/1/88

JCS:MIP

RECORDED 65-56402-526
 27 MAR 7 1946

~~SECRET~~

50 MAR 12 1946



68

Office Memorandum • UNITED STATES GOVERNMENT

3042 jmt/BTC 2/8/88

TO : THE DIRECTOR ALL INFORMATION CONTAINED DATE: March 4, 1946
FROM : D. M. Ladd HEREIN IS UNCLASSIFIED
DATE 6/13 BY SP3 494
SUBJECT: NATHAN GREGORY SILVERMASTER, with aliases, et al - Espionage - R 64001

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Beahm
- Miss Gandy

Reference is made to the MI Summary dated March 3, 1946, wherein at 9:10 A.M. Henry Morgenthau, Jr., Formerly Secretary of the Treasury, contacted Silvermaster from New York City. Morgenthau said that chances are he may be going on the radio once a week and that he has a Charles Malcalmson working for him in Washington who is just completing an undercover book with Mr. Rogge who was formerly head of publicity for the Department of Justice. Morgenthau said that Malcalmson got out when Clark became Attorney General as "he couldn't take it." Morgenthau said that Malcalmson was recommended to him by Bob Ullmann (phonetic) and that he, Morgenthau, regards him as an excellent man who is thoroughly reliable.

Morgenthau asked Malcalmson to check with Silvermaster as he wants to find out something that is going on concerning the sale of surplus property and particularly if it affects the veterans. Silvermaster agreed that he would be willing to help Morgenthau on that. Mr. Morgenthau said that he needs some scandal to make his program interesting and it would be wonderful if he could get it. He said he wants to be constructive but he feels he needs some scandal. It was agreed that there is plenty of scandal in Washington.

They then discussed the sale of some lumber out West and it was mentioned that the veterans weren't able to buy any. Silvermaster said that he tried to improve the situation to help the veterans. Mr. Morgenthau suggested that Silvermaster might tell Ullmann, referring to William Ludwig Ullmann, what he has in mind. Silvermaster agreed.

Mr. Morgenthau asked Silvermaster if it was all right to call him from time to time for help, and Silvermaster said he would be only too happy to assist him.

Morgenthau stated that he has Emile Despres (phonetic) working for him in the foreign field and that this same man, Despres, teaches at Williams College, part time.

Mr. Morgenthau suggested that Silvermaster or Ullmann send him anything they want publicized in order to help them. Morgenthau said his address is 285 Madison Avenue, New York City.

He stated that the only person who opens his mouth is Silvermaster's friend, Henrietta Klotz (phonetic), who told Morgenthau that Silvermaster and Ullmann would help him.

In conclusion Silvermaster assured Morgenthau that he will do anything possible to assist him and that he would ask Ullmann to do likewise.

ACTION: The above is for your information.

Let to Vaughan
in list of names
to O. B.
3/7/46 FLS
LJ:rm

Deyd substance to
Vaughan & A. G.
K.

Handwritten initials

RECORDED & INDEXED 165-51422-530

67
2/8/88
3042 pwt/DTC

The Attorney General

DECLASSIFIED BY SP-3 [unclear] AND [unclear]

March 7, 1946

John Edgar Hoover - Director, Federal Bureau of Investigation

NATHAN GREGORY SILVERMASTER, with aliases, et al

65-56402-530

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EX-107

I thought the following information would be of interest to you in order to show the contacts of Nathan Gregory Silvermaster about whom considerable information has been furnished to you in the past:

Information has been received from a source regarded as completely reliable that on March 3, 1946, Nathan Gregory Silvermaster, who is employed as a Research Economist, War Assets Corporation, was contacted by former Secretary of the Treasury Henry Morgenthau, Jr., from New York City. Morgenthau indicated that he intended to participate in a radio program once a week and that he has a man named Charles Malcolmson employed by him in Washington who is completing an undercover book with Mr. G. John Rogge, formerly of the Department of Justice. According to Mr. Morgenthau, Malcolmson left the Department of Justice when you were appointed Attorney General because he "couldn't take it." Mr. Morgenthau mentioned that Malcolmson was recommended to him by Robert Allen. Mr. Morgenthau also indicated that he regards Malcolmson as an excellent man who is thoroughly reliable. He said he asked Malcolmson to contact Silvermaster in order to obtain some information concerning the sale of surplus property and particularly whether or not it affects the veteran. Mr. Silvermaster agreed that he would be willing to assist Morgenthau. Mr. Morgenthau stated that he would like to obtain some scandal in order to make his program interesting, referring to his radio program, but he said he wants to be constructive and feels that he needs some scandal. He and Silvermaster agreed that Washington is a good source for scandal.

Morgenthau and Silvermaster discussed the sale of lumber in the West, and it was mentioned that the veterans were having difficulty in buying lumber. Silvermaster stated that he had attempted to improve this situation. Mr. Morgenthau also asked Silvermaster if he would tell William Indvig Ullmann what he had in mind, and Silvermaster agreed to pass the information on to him. It will be recalled that Ullmann is presently employed in the Treasury Department and information concerning him has previously been made available to you. To Morgenthau's inquiry, Mr. Silvermaster agreed that it would be permissible for Mr. Morgenthau to contact him from time to time for assistance. Mr. Morgenthau suggested that Silvermaster or Ullmann send him anything they desired to be publicized in order to assist them. He mentioned that the only person who has access to him and is Silvermaster's friend, Henrietta Klets, who referred Silvermaster and Ullmann to Morgenthau. Henrietta Klets was Mr. Morgenthau's personal secretary when he was Secretary of the Treasury.

I thought you would be interested in the above information which clearly shows Silvermaster's connections with present and past high Government officials.

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

SENT FROM D. O.
 TIME 10:40 AM
 DATE 3/7/46
 JMM

56 MAR 18 1946

Handwritten signatures and initials, including a large signature that appears to be "E. A. Tamm" and another that looks like "J. Edgar Hoover".

5:00 PM
MAR 7 1946



66

United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.



IN REPLY, PLEASE REFER TO
FILE NO. _____

63999

PERSONAL AND CONFIDENTIAL

DECLASSIFIED BY SP5 EJA
ON 4/5/63

January 22, 1946

3042 put/BJC
2/8/88

Director, FBI

Re: N. GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R

Dear Sir:

There are attached two photostatic copies of Distributors Guide, dated January 12, 1946, which is the second issue of this publication.

The original of this document was obtained from Confidential Informant Gregory, who obtained the same from EARL BROWDER by regular mail.

Very truly yours,

E. E. Conroy
E. E. CONROY,
SAC

TGS:RMJ
65-14603

Attachments (2)

EXOL INDEX FILE

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EX-22

EX-22

JWA

59 APR 3 1946

DISTRIBUTORS GUIDE

January 12, 1946.

Published by
Distributors Guide, Inc.
55 West 42nd Street
New York 18, N. Y.

REPRODUCTION RIGHTS RESERVED

January 12, 1946

No. 2

DISTRIBUTORS' GUIDE

Weekly Economic Analyses

WHAT'S AHEAD IN THE FIELD OF DISTRIBUTION

With the end of the War there also closes the role of the Government, Army, Navy, etc., as distributors of about half the products of American national economy.

There is a general demand that our national economy shall produce a volume of goods for peacetime uses as large as that which was produced for war purposes. That will mean within the next two or three years, a doubling of the total volume of goods to be distributed through peacetime channels, as well as great shifts within that total, and profound changes in forms and methods.

Thus a multitude of problems, large and small, will arise in the field of distribution. Practically everyone engaged in this field will be seriously affected, and many will find the conditions of their tasks completely transformed. It will be a period of great changes, calling for equal readjustments by those who play a directing role anywhere in this field. Distribution has its reconversion problem in many ways more complicated and difficult than those of industrial production.

THE ROLE OF CAPITAL GOODS

It will be helpful to every distributor, large or small, to have before his mind's eye a general outline of the whole national problem of distribution, in its totality; this will give perspective to every partial problem, down to the smallest.

Distributors deal with three main groups of commodities, whose character give quite a distinct form to the problem of distribution in each case. These are:

- I. CAPITAL GOODS, whose utilization represents more or less long-term investment, for the purpose of producing more goods.
- II. CONSUMERS' DURABLE GOODS, expenditures for which are properly chargeable against consumption, but, being utilized over a period of years, are considered in the nature of investments in future consumption, diminished year by year on the principle of amortization or depreciation.

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55 West 42nd Street, New York 18, N. Y.

Quotations permitted by special arrangement in each case.)

III. CONSUMPTION GOODS, that portion of the national product which goes directly to the satisfaction of consumers' wants, the final aim of all economic activity.

These three groups of commodities, besides their common character as objects for sale on the market, display important differences in their movement in distribution and in their effect upon the whole economy.

The first group, CAPITAL GOODS, plays a very decisive role in determining general conditions of prosperity or crisis and depression, being subject to the widest and quickest variations in market demand. Some measure of this can be found in the fact that, during the crisis-depression period of 1930-1941 the decline in the CAPITAL GOODS field was most steep and prolonged; production of machine tools, for example, dropped more than 80 percent during much of the period. When there appears a trend of reduction in the output of CAPITAL GOODS (and their distribution, upon which production depends) over any period of more than a few months, this is a storm signal for the whole national economy. Secretary of Commerce Wallace has estimated, on the basis of Commerce Department statistics, that the crisis-depression of 1930-1941 cost America the products of 88 million man-years of labor, an estimated value of \$350,000,000,000 -- all because the process of distribution came up against market limitations, first of all in CAPITAL GOODS.

It may be stated as an invariable rule that so long as the Capital Goods industries find a market for approximate capacity production, the entire economy of the nation will, on the whole, keep pace with it.

Everyone must be interested, therefore, in the prospects of the CAPITAL GOODS industries for the next few years, for as they rise or fall so will the prospects of every other economic activity, right down to the corner grocery and newsstand.

TECHNICAL STRENGTH HIDES ECONOMIC WEAKNESS

At first glance everything appears bright in this field today. CAPITAL GOODS industries were the favorites of war, they furnished the bulk of war goods on advantageous terms, they expanded their plants enormously at minimum cost to themselves, they accumulated vast reserves, they occupy a most favorable and protected tax position. They emerge from the war in a situation apparently impregnable. Moreover, there are vast sums of idle money in the hands of those who desire to invest it as productive capital, to a total variously estimated but certainly more than \$100,000,000,000. To the superficial observer these facts would seem to guarantee prosperity for the CAPITAL GOODS industries, at least for some years.

Unfortunately the problem is much more difficult than it seems. America has the plants to produce the goods, and idle money eager to invest in productive capital goods -- but this still does not constitute a MARKET to guarantee their distribution among those who will put them to work. CAPITAL GOODS also must be distributed, they must find customers -- and investors with idle capital are only potential customers, not yet actual ones.

The painful truth is that America's plant capacity, the main field for capital investment, was so enormously expanded during the war that, for some years, our nation's main problem will be to guarantee the full operation of what we already have, and not that of expanding it further. New plants erected now in America would, with some few exceptions, only have the net result of squeezing existing plants out of business, and would therefore not represent any expansion of the economy as a whole; they would only multiply the nation's problems. Reconversion requirements will, of course, furnish something of a market for Capital Goods, but this will amount to but a minor fraction of our capacity to produce.

If we depended entirely upon the domestic market for capital goods to keep these industries in full operation, then the outlook would be dark indeed; America would be facing the practical certainty of a new economic crisis and depression, deeper and more damaging than that of 1930-1941.

There is a way out of this dilemma. It is the FOREIGN MARKET.

MUST EXPORT MONEY AS WELL AS GOODS

Some observers profess to see an insuperable obstacle to the export of CAPITAL GOODS in the huge volume necessary, in the absence of means of immediate payment from abroad in anything like the same volume. This apparent obstacle can, however, be turned into an advantage to America. Our national economy has the need not only to produce and export CAPITAL GOODS, but it equally needs a field of investment for IDLE MONEY CAPITAL. Both needs are met when America finds customers abroad who will buy our goods and borrow our money, and combine them in new production which will make our customers prosperous and our own investments sound and profitable. The needs of our potential customers in other lands are America's opportunity to solve our own problems.

There is thus a potential foreign market which awaits the creative touch of American enterprise to make it actual, both for the idle money seeking fields of investment and the CAPITAL GOODS which we need to produce and sell. The continents of Latin America, Europe, Africa, and Asia are to a great extent hungry for and ready to make productive use of AMERICAN CAPITAL GOODS and AMERICAN INVESTMENT CAPITAL, to the great advantage and profit of all concerned. Here are the potential markets of a size commensurate with the needs of America's CAPITAL GOODS industries and of its money capital available for export. Here are the customers among whom we must find the means to distribute a large and growing proportion of the products of our CAPITAL GOODS industries.

There are very serious business reasons why America must consider the FOREIGN MARKET primarily as a field for export of CAPITAL GOODS and INVESTMENT CAPITAL, only secondarily for export of CONSUMERS' DURABLE GOODS, and least of all for export of CONSUMPTION GOODS (except for emergency and humanitarian reasons which overrule business considerations). These reasons may be summed up as follows:

1) This corresponds most closely to America's own needs. If American idle money capital finds an export field, which simultaneously creates a market for the export of CAPITAL GOODS to approximately the same volume, this makes possible a prosperous condition for our entire economy for some time, it restores a measure of harmony between the sectors of our economy, and it creates a minimum of future economic problems for later solution. America could not, on a business basis, invest in foreign consumption, but it is entirely possible to expand manyfold our investment in foreign productive plant upon a strictly business-like basis.

2) At the same time this also corresponds most closely to the needs of those nations to whom we wish to sell. (Always, of course, leaving out of the picture those emergency needs which override the strict rules of business). These nations are all heavily damaged by the war, most of them are impoverished and all are relatively poor. To the extent that they use their resources to purchase CONSUMPTION GOODS from America this, while it may slightly alleviate their sufferings, will only leave them more impoverished than before and less able to expand their future purchases from America. But if they buy our CAPITAL GOODS this will, in the course of a few years, permanently alleviate their sufferings by advancing their own economy, raising their living standards, and making them expanding purchasers of our future production, better customers in every way, to their own profit and ours.

Here is the heart of the distribution problem in the field of foreign trade--to find ways and means to re-establish (or to establish for the first time) our customers in business for themselves on an expanding scale, enabling them out of their own production to rehabilitate and modernize their own nations while in the course of years retiring (amortizing) American investments there, creating the conditions prerequisite to an ever-expanding market.

RECIPROCAL NEED FOR FOREIGN TRADE

These potential foreign customers are equally necessary to American production and distribution, as American goods are necessary to these customers. American distributors would be well-advised to rid themselves thoroughly of all arrogant or condescending attitudes toward our potential customers abroad, as though we were doing them a favor or performing an act of charity when we lend them our money and sell them our goods. There is no taint of charity in all this. It is entirely hardboiled business procedure, and there is no other possible course that would be good business on our part. It is strictly comparable to that process whereby the American automobile industry first created a market for mass production by the extension of mass credit to buyers who could not or would not otherwise have purchased cars. These customers for both our goods and our idle money are absolutely essential for the steady development of American economy. The benefits of such FOREIGN TRADE will be strictly mutual. America cannot expand and grow without it.

American businessmen would be wise to place heavy emphasis upon this concept of mutuality, in view of the many vexing problems that remain to be solved in realizing the foreign markets we require. Any attitude of arrogance in dealing with other peoples raises grave dangers of arousing world antagonisms against us. It is not in all ways comfortable to be rich Uncle in relation to the rest of the world, and the position carries with it grave dangers, problems and responsibilities.

Organization of the required volume of FOREIGN TRADE is a task for which only the framework of a solution has been established, in the United Nations Organization for the ordering of peaceful relations without which trade is impossible, and in the Bretton Woods structure for monetary and credit stability in the absence of which the flow of trade would be equally blocked. From this point onward, progress for America and the world depends upon a waxing flood of concrete projects for the rehabilitation and modernization of the economic life of other countries which will demand the participation of America's idle money and CAPITAL GOODS on a scale never before conceived of, and on terms much more favorable to the customer than have prevailed in the past.

America must export CAPITAL GOODS in constantly increasing volume, or face the alternative of being suffocated under a surplus with our basic producing plant shutting down and paralysis creeping over the economic life of the whole nation. We must learn to distribute abroad upon something approaching the scale developed in the American domestic market in the past.

When this process of foreign distribution is well begun, only then has America the basic precondition for the required expansion of the DOMESTIC MARKET, with the solution of its thousands of new and old problems. Only thus can the groundwork be laid, under the prevailing economic system, for a future greater expansion of America's own productive plant.

EARL BROWDER



PROGRESS OF RECONVERSION

Careful students of economics will heavily discount the optimism of current comment on the progress of reconversion to a peacetime economy. This optimism depends largely upon general indices of business activity, upon the low rate of unemployment so far developed, and upon the gradual clearing of the international horizon of the greatest threats to long-term stabilization. There is not to be seen, however, any considerable concrete manifestation of the key factor of a successful reconversion -- namely, the appearance of a market for durable goods in any degree commensurate with the war market which has disappeared.

For short-range purposes, of course, the prevailing optimistic mood may be sound enough. There is certainly no imminent threat of a deep slump in general economic activity. The load of unemployment may not become alarmingly high in the next period -- although it seems certain to rise above five millions by spring. And the improvement of international relations in the Moscow Conference definitely strengthens the hope of quick revival of foreign trade. Optimism may be a very practical approach to immediate economic questions.

THE DANGER OF UNCRITICAL OPTIMISM

The danger in the current uncritical optimism arises from its tendency to slur over the weak points in America's economic setup, and to delay action which must be begun now in order to be effective two and three years from now to prevent deep-going troubles.

Thus, the leading writer for one of our authoritative conservative journals, highlights his New Year account of reconversion with the Department of Commerce estimate of 1945 national income of \$158 billion, which it notes would slightly exceed that of 1944, the previous highest point. It notes "~~popular estimates~~ are more or less in agreement on a figure in the neighborhood of \$125 billions for 1946", which would "represent a decline of about 21 percent."

Behind such over-all figures, however, there are hidden other indices which are much more disturbing as to future economic prospects.

The latest available Federal Reserve index for industrial production, for October, shows that total manufactures declined from an index of 250 in 1944, to 175 in 1945, or a 30 percent loss. Within that total, however, the index of durable goods declined from 346 to 193, or a loss of more than 44 percent.

Here is the critical point in the American economy, when it is considered from any angle other than the immediate month-to-month prospects. ~~And it is this point~~ which exhibits precisely the greatest weakness. This far-reaching decline in the durable goods industries, which continues into the New Year, is removed from attention, is covered up and minimized, by the multitude of over-all statistics of economic activity in general.

TECHNICAL RECONVERSION DOES NOT EQUAL ECONOMIC RECONVERSION

Most of the current discussion of the reconversion problem deals with it as purely one of the change-overs in technique from war-goods to peace-goods. This technical side of reconversion has, perhaps, been completed as much as 80 percent, as some authorities maintain.

But this technical problem is not the difficult part of reconversion. That is an economic problem, much more than a technical one. For the technical angle, reconversion to peace is much easier than was conversion to war. But from the economic side it is incomparably more difficult.

The core of all American economic problems is the market. The economic problem of reconversion is to realize a peace-market in volume approximately equal to the war-market.

For conversion to war, the market problem was relatively simple. The Government appeared as the single, all-devouring customer, whose demands and ability to pay were without visible limits. There were no limits to the scope or speed of conversion except the limits of technical capacity.

For reconversion to peace, however, there is no such omnipotent customer to hand out orders right and left. The Great Customer had disappeared, and left an aching void behind him. For what market is American industry now to work its production miracles?

RELATIONS BETWEEN DOMESTIC AND FOREIGN MARKETS

America's vast domestic market is the basis of its system of mass production, of its industrial pre-eminence in the world, of its ability to meet all competitors in the world market.

From this fact it does not follow, however, that American industry is or can be independent of the foreign market. It has developed in close interdependence with the world market, and this relationship is more vital today than ever before. The forms of this inter-relationship change from period to period, its dynamic influence does not wane but waxes greater.

During the half-century before the First World War, the central fact in American foreign trade was the importation of capital and capital goods, first of all from Great Britain. This was in turn the chief economic factor, or one of the chief factors, in British predominance in the world markets during that period.

From World War I to World War II, America transformed herself into the chief exporter of capital and of capital goods, and today has far outstripped Britain, not to speak of the complete elimination of her German and Japanese rivals.

Through America's gigantic war-time industrial effort, our national economy was even more thoroughly integrated to the world economy. Our greatest industrial expansion was in the field of durable goods. It was out of all proportion to the needs of the domestic market, but in the most

direct proportion to the needs of the rest of the world. If this expanded sector of American industry is to operate fully in peace-time, it must be primarily for the world market -- the world market for capital goods.

The fullest possible expansion of the domestic market is required -- but this cannot equal the volume of American productive capacity, and the gap to be filled by the foreign market will be bigger than ever before.

If that gap is not filled by an expanding foreign trade, then the domestic market will also falter, weaken, and begin to dry up.

This is the inescapable relationship between our domestic and foreign markets so long as this country continues to operate upon the basis of its present economic system.

THE GOVERNMENT AS ORGANIZER OF FOREIGN MARKETS

Government as the Great Customer of American industry has disappeared from the scene. Economic controls are being discarded as rapidly as it can be done without resulting in immediate snarls and bottlenecks.

In the field of foreign trade, however, it is more and more generally agreed that the Government cannot fade out of the picture in the same way. Private initiative cannot longer hope to handle directly the enormous problems that dominate the foreign market, not even the greatest financial and industrial concerns. This judgement comes from the most conservative circles of economic thought, and is no longer by any means confined to those considered "radical" or "New Dealish".

Large scale revival of foreign markets is for the next few years at least, absolutely dependent upon the flow of American capital abroad.

The huge volume of capital export that is required (both by American and foreign needs), and the low interest rates that must be charged in order to find borrowers on a sufficiently large scale with adequate security, combine to create difficulties which only the centralized power of Government can cope with and solve, both on the part of the lender (America) and the borrower.

In the main, export of capital will for the predictable future be organized, controlled and directed through the U. S. Federal Government, dealing directly with other Governments, on the general model of the current Anglo-American loan. (See, for example, the New York Herald Tribune "Industry and Finance Review and Outlook" supplement of Jan. 2, 1946, page 34).

This analysis is not concerned with the question of whether such a development is "good" or "bad". Regardless of whether it is deplored or welcomed, it is here and it is inevitable. There is no prospect of any change in this trend of events in the predictable future. It is a condition, not a theory, and it is a condition to which the most powerful forces in the world have found it necessary to adapt themselves.

The U. S. Government has abandoned the role of the Great Customer for American industry, but it has found it necessary now to take on the new role of the Great Organizer of foreign markets.

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Upon the speed and efficiency with which the Government performs this new role depends the whole economic perspective for American life.

ROADBLOCKS IN THE WAY OF FOREIGN MARKETS

There are many and serious roadblocks in the way to expanding foreign markets. Some of them originate here in the U.S.A., and if we do not quickly remove the domestic blocks then it is certain we will make little progress in removing those of foreign origin.

A typical expression of the most formidable danger to America's potential foreign markets may be seen in the Report of the co-called Colmer Committee of the House of representatives.

The Colmer Committee, after making a study abroad of market conditions, proposed to Congress a series of political demands which should be imposed upon all applicants for American credits, as a precondition for Congressional approval.

It is beside the point to argue whether the Colmer demands are "good" or "bad" in themselves. The point is that there is hardly a government in the world which would dare accept such conditions for the admission of American capital export into the economic life of its country.

The Colmer demands, therefore, have the practical effect of building an insuperable obstacle against the flow of American capital export--insofar as they influence the policies of Congress and the Administration. But such views have a surprisingly large support in Congress and among business circles.

All such views, of which the Colmer Report is typical, are based upon a fallacy, an illusion of omnipotence on the part of the holder of export capital which enables him to lay down conditions at pleasure to all and sundry who need capital.

The true relation of forces between potential lender and borrower is considerably different from this illusion at the base of the Colmer Report. The issue between the two is decided by the question of which one can most effectively meet the problems resulting from failure to agree on terms. The borrowers of the world today, it so happens, are able to "capitalize" on their own extreme need--they are already so badly off that failure to obtain American capital merely extends an existing condition but does not bring new catastrophes; but when the lender fails to obtain a borrower (who is a customer when he obtains credit), then the lender faces the consequence not merely of extending existing hardships, but of bringing down upon himself a new world economic crisis from which he cannot isolate his precarious present war prosperity.

In short, the U.S. has an economic prosperity now which it can lose, if it fails to restore its customers to active business operations; but the customers will at least be little worse off than now, perhaps even better, even if they refuse to accept American capital until they can obtain terms more satisfactory to them.

The world market for American export capital is thus far from being at the mercy of arbitrary conditions laid down from America. It is something of a "customers market", and America will find it necessary to lend sensitive ear to the desires and demands of the customers.

THE TRUTH IS MOST PRACTICAL GUIDE

It is not particularly popular to express such ideas as these among American businessmen today. But they happen to be much more accurately related to the realities of the World than are the illusions of the Colmer Report. And the truth, even if it is slightly bitter to the palate, is a better guide for business practice than the fallacy of the all-powerful money-lender.

Uncle Sam must inevitably lend money in this post-war world, and do it on a grand scale. Our own economic needs demand it, not to speak of the needs of the world. But Uncle Sam will find it better business in the long run, if he learns how to do this necessary job with the smallest possible reminders to the rest of the world of the classical money-lender with his demand for the pound of flesh.

EARL BROWDER

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Federal Bureau of Investigation
United States Department of Justice

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Mr. Glavin
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New York, New York
February 4, 1946

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THE PRESIDENT'S MESSAGE

President Truman's message to Congress of Jan 21, will have continuous influence upon the development of domestic and international economic issues. It would therefore be a sad mistake to treat it as merely the headline sensation of a day. We will doubtless have occasion to refer to it again and again during the course of 1946. This first analysis will be concentrated upon what we consider the high, decisive, points of the policy unfolded there which determine its long-range character.

FULL EMPLOYMENT--UNCONDITIONAL GOAL OF GOVERNMENT POLICY.

The general character of the President's message is fixed by his emphatic restatement of Roosevelt's policy of full production and full employment. The hopes and expectations that were voiced by reactionaries, and the parallel fears so forcibly expressed upon the left, that President Truman would abandon-- or had abandoned--the Roosevelt program, were proved to be quite without foundation.

Full employment, key to the whole structure of Roosevelt policies, is again and again emphasized in the message. Perhaps the most direct and quotable example is the following paragraph:

"With the growing responsibility of modern government to foster economic expansion and to promote conditions that assure full and steady employment opportunities, it has become necessary to formulate and determine the government program in the light of national economic conditions as a whole. In both the executive and the legislative branches we must make arrangements which will permit us to formulate the government program in that light. Such an approach has become imperative if the American political and economic system is to succeed under the conditions of economic instability and uncertainty which we have to face. The government needs to assure business, labor and agriculture that government policies will take due account of the requirements of a full employment economy. The lack of that assurance would, I believe, aggravate the economic instability."

Or take another formulation, further along, which says:

"We will not measure up to those responsibilities by the simple return to 'normalcy' that was tried after the last war. The general objective, on the contrary, is to move forward to find the way in time of peace to the full utilization and development of our physical and human resources that were demonstrated so effectively in the war."

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BOLDNESS COMBINED WITH CAUTION

It is within the Roosevelt tradition that Truman combines boldness in setting forth objectives with caution in the precise formulation of means of attaining them. He has given this strategical approach a direct formulation, and placed it in relation to the historical compulsions of the time, when he wrote:

"To achieve success will require both boldness in setting our sights and caution in steering our way on an uncharted course. But we have no luxury of choice. We must move ahead. No return to the past is possible."

That is an adequate summing-up of the character of the entire message. It closes the door of return to the past, it faces the future and formulates its goals boldly, it reaffirms all the concrete measures toward such goals that were crystallized in the course of twelve years by Roosevelt, and it cautiously and experimentally takes up the new issues that are pressing for specific answer.

Roosevelt had a genius for creating an atmosphere of bold and glorious adventure around even his most cautious, tentative, and experimental practical projects. Truman is lacking in the Rooseveltian glamour. But the substance of his expressions of policy contains as much firmness and consistency as that of the Old Maestro himself.

Truman's caution is exhibited also in his warning against overestimating the present favorable business prospects. He doubtless had in mind the long-range weakness in the prospects of the durable goods industries (pointed out in Distributors Guide No. 2), when he said:

"And for the immediate future the business prospects are generally so favorable that there is danger of such feverish and opportunistic activity that our grave post-war problems may be neglected.... We should not be lulled by the immediate alluring prospects into forgetting the fundamental complexity of modern affairs, the catastrophe that can come in this complexity, or the values that can be wrested from it."

At another point he warns that "neither the danger of a post-war inflation nor of a subsequent collapse in production and employment is yet overcome." He deflates the exaggerated hopes that war-time savings and "deferred demand" will long sustain the market, in the following words:

"No backlog of demand can exist very long in the face of our tremendous productive capacity. We must expect again to face the problem of shrinking demand and consequent slackening of sales, production and employment. This possibility of a deflationary spiral in the future will exist unless we now plan and adopt an effective full employment program."

MAINTAINING THE VOLUME OF WAGE-INCOME

Truman's message is unequivocal in maintaining his position in support of raising hourly wage rates in order to maintain the volume of wage-income somewhere near the war-time level. He said flatly:

"Most industries and most companies have adequate leeway within which to grant substantial wage increases....Business can in the future pay higher wages and sell for lower prices than ever before."

As if in direct answer to the directors of U.S. Steel and General Motors, who claim the right to final judgement as to the size of those increases, Truman lays down the proposition that when bargaining fails then the government has the final responsibility to secure a settlement of disputes. He said:

"The government, acting on behalf of all the people, must assume the ultimate responsibility for the economic health of the nation. There is no other agency that can. No other organization has the scope or the authority, nor is any other agency accountable to all the people."

In that formulation there is the hint as to Truman's course in the strike situation, if U.S. Steel, General Motors, and other big corporations, continue their defiance of his recommended settlements. But there is only this hint in the message; there is no direct answer to the question.

A STEP FORWARD IN FOREIGN POLICY.

In the main the message contents itself with re-stating former expressions of foreign policy, with emphasis upon the conferences of Teheran, Yalta, Berlin, Dumbarton Oaks, San Francisco, and Moscow, where these policies were integrated with those of our great Allies.

On the issue of colonial empire, however, Truman's message takes the occasion in speaking of the Philippine Islands to lay down a general position which goes beyond any former statement of policy, first of all because never before was this position formally laid before Congress by the Executive, and secondly because never before was the issue placed at once so concretely and with such wide scope. Truman said:

"We have already determined that the Philippine Islands are to be independent on July 4, 1946. The ravages of war and enemy occupation, however, have placed a heavy responsibility upon the United States. I urge that the Congress complete, as promptly and as generously as may be possible, legislation which will aid economic rehabilitation for the Philippines. This will be not only a just acknowledgement of the loyalty of the people of the Philippines but it will help to avoid the economic chaos which otherwise will be their heritage from our common war. Perhaps no event in the long centuries of colonialism gives more hope for the pattern of the future than the independence of the Philippines."

This is a new, and unexpectedly direct, confirmation of the analysis of America's emerging policy looking toward dissolution of the colonial system which Distributors Guide gave at some length in Vol. I, No. 3, issued under date of Jan. 19 and written earlier in the month. ("Economic Basis of America's New Imperial Pattern").

Certain left-wing commentators, carried away by dogma and the impact of some superficial and temporary phenomena in America's conduct of foreign affairs, have for many months accused Truman of reverting to old-style imperialism. They accused him of wanting to make China into "America's India"; they demanded that General Marshall "get out of China" and "stop interfering in China's internal affairs"; they said that America under Truman's leadership wanted to preserve feudalism in Japan, and to maintain the semi-feudal regime in China as a "puppet"; they were sure that America was out to build a world colonial empire. They made only "one little mistake"; they forgot the dictum of Marx and Engels that economic interest will in the long run always outweigh ideology in determining the foreign policy of any nation.

TRUMAN WEARS THE AUTHENTIC ROOSEVELT MANTLE

Harry Truman will probably never hold his cigarette at the same jaunty angle that was characteristic of F.D.R. It is certain that his radio voice will never carry the same magic as that of his great predecessor.

But in the substance of policy, and in basic appeal to the masses, it must be said that Harry Truman has won, by his own strength of leadership in moments of crisis the full right to wear the Roosevelt mantle. He is truly F.D.R.'s successor, not only in office and time, but in the role of leader of the nation.

EARL BROWDER

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THE ECONOMICS AND POLITICS OF THE STRIKE SITUATION.

This analysis of the economic and political aspects of the strike situation is being written on the first day of the steel strike (Jan 21, 1946) and will be mailed to subscribers one week from the day it is written. We note this fact in order to emphasize that we are analyzing the basic underlying factors and not attempting to predict the detailed course of events. Our reports are designed only for those who think deeper than the current headlines; they are not informational reports and do not compete with the newspapers.

MOST IMPORTANT ISSUE IS APPARENTLY AGREED UPON BY BOTH SIDES.

For those persons who consider economic factors as basic to all other considerations, the outstanding feature of the strike situation is the narrowness of the issue on which it turns and the far-reaching significance of the agreement by both sides upon the basic problem. That problem is the advisability that U.S. industry should make the reconversion period the occasion for a sharp advance in the wage standards.

When the United States Steel Corporation rejected President Truman's proposal for a wage rise of 18-1/2 cents per hour, it was standing pat upon its own offer of 15 cents. The difference between the two sides had been reduced to 3-1/2 cents.

It is obvious that this 3-1/2 cents, in its economic significance, is not so decisive that it could have motivated big business employers, for whom U.S. Steel is leader, to defy the President of the United States and thereby bring paralysis to the very heart of American industry. Mr. Fairless, U.S. Steel spokesman, made a show of argument of the "financial harm" that would result from President Truman's proposal. He did not explain how his own offer of 15 cents would not be harmful while the President's slightly higher figure would. Mr. Fairless had, perhaps unwittingly, cut the ground out from under his economic argument when he gave way in the negotiations to the apparently irresistible power of public policy which backs up labor's demand for a substantial and immediate rise of the wage standard.

Philip Murray for labor, put the basic argument for the President's proposal in the following words:

"It is to the interest of all Americans, if we are to provide a firm foundation for an expanding economy of full production and full employment, that the purchasing power of the workers of the nation be maintained and steadily increased. It is with this objective in mind that the C.I.O. and its affiliated unions have been endeavoring for the last year to secure substantial wage increases. If this end is not achieved the high level of profits of industry will prove to be illusory, and our nation will inevitably be plunged into a terrifying depression, with all its consequent evils."

Mr. Fairless for U.S. Steel, did not challenge this thesis. And surely, since he was deciding to enter into a struggle which would shake the nation to its foundations, he would have challenged it if he had dared--if he had not been convinced in his own mind that the majority of the nation will support it

against any counterpolicy which invokes the "low-wage as incentive to business" theory. Mr. Fairless and his supporters doubtless are motivated, in choosing to fight it out against the President and labor, by the "low-wage theory", but they do not dare come out into the open with it. On the contrary, they attempt to make the appearance of having accepted Murray's and Truman's basic theory, by boasting that their own offer "would constitute the highest single wage increase ever made" by the industry.

In terms of economics, therefore, U.S. Steel has signified its agreement with (or at least its voluntary subordination to) the basic theory that the wage standards of the country must be sharply raised in the interests of the whole nation, as the only sound long-term economic policy.

In the practical application of that policy, however, U.S. Steel finds the difference between 18-1/2 cents proposed by President Truman, and their own private judgement that 15 cents is sufficient, a good enough issue for them to throw the entire economic and political life of America into the turmoil of large-scale industrial conflict.

Such a decision is obviously not one of economic policy. It is a political decision, to which economic factors have been subordinated. It is a sacrifice of the nation's orderly reconversion, of its economic prosperity, in order to gain a political goal which these men hold to be of higher importance.

GENERAL MOTORS STATES ISSUE MORE FRANKLY THAN U.S. STEEL

The concrete immediate issue in steel is almost exactly the same as in the General Motors strike which has been going on for two months. The differences are mainly, that in the G.M. struggle, a Presidential fact-finding board recommended an increase of 19-1/2 cents per hour, while the Company offers 15 cents. The gap there is four-and-a-half cents instead of three-and-a-half cents.

In its public statements, however, G.M. has been more frank in posing what it considers the crucial point of dispute than has U.S. Steel.

Upon its withdrawal from fact-finding board's hearings, G.M. issued a public statement, declaring that the dispute is "not a mere issue of wages, as between the corporation and this union but a broad attack on American industry and free enterprise."

"The issue is not one of arithmetic or facts", it continued: "There is nothing in the books of the corporation to settle it. It is an issue of national policy."

These two points of G.M.'s position add up to this: The issue of national policy involved in the rising series of wage disputes must be decided, in the last analysis, by "free enterprise"--that is, by the boards of directors of the great corporations. If the unions do not submit to their decisions, they are prepared to close down American industry until starvation brings the workers to "reason".

Thus the disputes over 3-1/2 or 4-1/2 cents is transformed. It is no longer a battle over pennies, it is no longer an economic issue. It is a struggle to confirm the final and decisive power of the great corporation executives to make decisions--decisions fixing national policy, decisions on the shape of America for the next period.

LABOR'S POLICY BASED UPON NATIONAL UNITY

Labor's policy, as formulated by C.I.O. Conventions and the program of the Political Action Committee, is not merely "the other side" of the position taken by U.S. Steel and General Motors. It is radically different. It is based upon Labor's position as a partner in the national progressive coalition that rose under the leadership of Roosevelt, and which is being continued under Truman. It is a policy of national unity.

How much labor is prepared to sacrifice to this national unity can be concretely illustrated by the fact that labor has relinquished in the current disputes those of its demands which could not obtain the backing of its allies of all classes for whom President Truman and the Administration speak. Steel labor demanded 30 cents per hour but the union accepted Truman's proposal for 18-1/2 cents. The auto workers demanded 30 cents, but accepted the findings of Truman's fact-finding board of 19-1/2 cents. And so on down the line.

This willingness to adjust its demands to the views of the public and the Truman administration is, however, not the most important sign of labor's policy of national unity. More deep-going is the fact that labor's whole program, economic and political, is built upon this concept of maintaining the unity of the democratic majority of Americans in effective control of their Government.

Senator Taft of Ohio, in his radio speech attacking President Truman, recently spoke for the executives of U.S. Steel and General Motors, in his accusation that Truman's legislative program was copied from the Soviets and from the Communists. This is what they mean when they speak of an "attack upon free enterprise."

Truman's program was, however, inherited from Roosevelt, who in turn had received from the American people their ratification of it in four national elections. And it is Roosevelt's program upon which labor bases itself in America today.

It is one of the outstanding facts of the day that, in a world in which labor in almost all countries is moving more and more rapidly toward a socialist program, American labor remains overwhelmingly committed to the achievement of its demands within the framework of the existing economic and social system.

One of life's little ironies is the fact that it is U.S. Steel and General Motors, by their position and arguments in the current wage disputes, who are exerting the only widespread influence upon American labor that is turning its thoughts in the direction of socialism. When they argue that 3-1/2 cents wage increase leads to socialism, and that in rejecting this increase they are fighting for the existing system and "free enterprise" which could not live if it granted the extra pennies, they are conditioning the minds of millions of American workers to a more sympathetic attention to socialist ideas.

Labor has accepted a policy based upon the assumption that the people of America can collectively make the decisions that will decide their destiny. U.S. Steel and General Motors have challenged that assumption, and claim the right of the big corporation executives to make those decisions. If labor is proved to have been wrong in its basic assumption, if the big corporations prove more powerful than public opinion, the Administration, the Roosevelt program, and labor, all combined, then there will be no place for labor to go

except to join the worldwide swing toward a socialistic reorganization of the nation. That trend toward socialistic opinions has not taken hold of American labor as yet, but a victory for U.S. Steel and General Motors in the current dispute would set it in motion in America also.

ECONOMIC ISSUES ONLY INCIDENTAL IN CURRENT STRIKES.

The conclusion that must be made from this analysis is that the position of the big employers has reduced the economic issues of the current strikes, of a few cents more or less in the considerable wage increase that is conceded by all sides, to a place that is only incidental in the struggle.

What is being fought about is not these few cents but the question of who should make the decision on the issue and how.

Philip Murray for labor said: "The American people must now be mobilized to give President Truman our full support in the struggle which lies ahead to maintain true collective bargaining and protect our free democratic institutions which are being challenged by those in industry who desire to place themselves above all laws and rules of equity and justice."

Henry Kaiser, representing progressive capital, has joined Murray in this position.

A statement by Sidney Hillman to the President, marks a halt to the current movement among labor ranks to break with the progressive-democratic coalition that has kept America out of the hands of the reactionaries. Hillman wrote:

"On behalf of CIO-PAC, I wish to express our deep appreciation of the firm stand you have taken in favor of wage increases to protect American workers against a drastic decline in living standards and to maintain the national purchasing power essential to a healthy economy.

"We are particularly appreciative of your patient and constructive effort to effect a settlement of the pending steel controversy. The refusal of the steel companies to accept your eminently fair and reasonable proposal fully demonstrates that they are placing their own selfish interests ahead of the national welfare.

"Be assured that you have our fullest support in the stand you have taken, as well as that of the great majority of the American people."

Such are the issues and the alignments.

EARL BROWDER.

DE GAULLE QUILTS--HIS SHADOW HANGS OVER FRANCE.

De Gaulle has resigned from the provisional Presidency of France. The Constituent Assembly met to hear his letter of resignation read, together with the letter of acceptance written by its chairman, and adjourned after a session of five minutes to meet next day to elect his successor. No word of regret was uttered by the Deputies.

Thus does France enter a new stage in the struggle that is shaping the future of western Europe.

Since the crisis in France will deeply affect the immediate as well as the long-range economic perspective of the world, and not least of the United States, it would be a matter of more than political interest or ideological sympathies to set forth the main outlines of the struggle, and the possible shapes it may take.

One thing is certain, that while De Gaulle has quit his office, his shadow hangs heavily over France. De Gaulle remains the head and symbol of French reaction.

COMMUNIST-SOCIALIST SPLIT WAS SOURCE OF DE GAULLE'S POWER

De Gaulle was able to dominate the French Provisional Government because of the continuing split between the Communist and Socialist Parties. His resignation was the result of his failure to perpetuate and deepen that split by manoeuvres within the government, and the contrary signs that Communists and Socialists were moving closer together--thus narrowing the margin of his power. De Gaulle quits the Presidency, quite obviously in the hope and expectation that the problem of his replacement, and of the functioning of a new cabinet, will again drive the Communists and Socialists apart, throw the country into confusion, and create a demand for his return.

If and when De Gaulle attempts such a return to power, however, it will clearly not be at the head of a government created by the Constituent Assembly and subject to its authority. It can only be at the head of a government which overthrows the power of this Constituent Assembly.

This is the nature of the challenge laid down by De Gaulle's resignation. That it was so understood by the Constituent Assembly is indicated by the frigid and abrupt character of the session which accepted the resignation.

De Gaulle and the forces behind him are speculating upon the impossibility of the Socialists and Communists attaining sufficient unity to set up a functioning government with strength enough to inaugurate a decisive improvement in the life of the people. They are speculating upon the rise of a mood and movement among the masses against "the politicians" who "spend their efforts in manoeuvres and faction struggles" while the country plunges into deeper economic chaos.

Just as the movement toward more unity between Communists and Socialist brought about De Gaulle's resignation, therefore, so will a serious deadlock between the two parties in the Assembly and the government be the signal and the occasion for De Gaulle to attempt his "return to Paris" -- on the traditional white horse.

ROOSEVELT FORESAW DE GAULLE'S ROLE

It was an example of Franklin Roosevelt's political genius that he foresaw the present role of De Gaulle. That was the reason for his long refusal to permit U.S. recognition of the De Gaulle government in Africa, until he felt that some limitations had been established to De Gaulle's personal power, sufficient to guarantee reasonably free elections in France after the liberation. Roosevelt was profoundly convinced that De Gaulle could never be the leader of a democratic France--and he was correct.

When De Gaulle was fighting to force recognition by the U.S. Government, he mobilized both right and left in his support in the U.S. It was from the liberals that the greatest pressure was exerted upon Roosevelt in favor of De Gaulle. He even circulated "confidential" stories, spread by word of mouth, that the obstacle to his recognition was his, De Gaulle's, refusal to agree to a demand by Roosevelt that French colonies be turned over to "American imperialism" as a part of its plans for "world domination."

Ironically enough, what Roosevelt was demanding of De Gaulle was the recognition of the democratic forces of France and their more adequate inclusion in De Gaulle's government, and in this respect specifically the inclusion of the French Communists. When this practice was firmly established, De Gaulle's government was recognized.

OBSTACLES TO COMMUNIST-SOCIALIST UNITY

Superficial observation fails to disclose those factors of disunity between Communists and Socialists upon which the De Gaullists are speculating. But in France as elsewhere the surface aspects of political life are not always the most decisive.

AS A MATTER OF FACT there is a commonly-accepted immediate program for France shared by both Communist and Socialist Parties. It is the program worked out by the National Committee of Liberation during the occupation and immediately afterward. The item of chief significance for the future in this program is its commitment to nationalization of the banks, monopolies, and industries owned by the traitors and collaborationists. Both parties have declared that this program fixes the main outline of their aims in the immediate post war period. During the election campaign last autumn, a spokesman for the Communist Party stated that even if it should win a majority in the Assembly this program adopted in collaboration with other parties would remain its practical guide in leading the nation.

Such a common program has not sufficed, however, to achieve a stable unity between the two parties.

There is no clear evidence to show how much the disunity springs from differing interpretations as to how the common program should be applied, and how much to other factors extraneous to the immediate program. Both factors are doubtless at work.

Leaders of the Socialist Party are strongly influenced by fear of being swallowed up by the Communists, which has by far the most solid organization. They have therefore in the past leaned strongly upon De Gaulle, and tried to maintain a balance of power between the Communists and the M.R.P. (De Gaulle's main political support). It is a fact that the Socialist Party is not

strongly united behind its leaders, and is in constant danger of splitting on the various issues that arise. It was a surprise to most outside observers who are familiar with French politics when the French Socialist Congress last summer voted overwhelmingly to reject the Communist proposal for a merger into one single workingclass party, since it is well known that a large proportion of the socialist membership is strongly inclined toward unity.

The explanation of how the S.P. leaders were able to rally their party against the merger proposal probably lies in the particular form in which it was presented by the Communists. As the proposal was published, it placed entirely in the background the immediate joint program already adopted, and concentrated attention almost exclusively upon issues of political ideology in relation to which the most violent controversies had raged in the past between Communists and Socialists, as well as upon the form of organization of the proposed "united party", which it would have modeled almost exactly upon the established Communist practice and theory. This enabled the Socialist Party leaders to appeal to all ancient prejudices against the Communists in their ranks, and to silence most of the advocates of unity at their Congress. So far as we have been able to learn the Socialist leaders did not themselves formulate any unity proposals, being content to reject those of the Communists.

The course of events of the past weeks have demonstrated that the urge toward united action of the Socialists and Communists has been too strong to be held in check effectively by the Socialist leaders who oppose it. In giving ground to the demand for closer cooperation with the Communists, the Socialist leaders are doubtless taking the only course which could avert an open split in their ranks in the Assembly and throughout the country.

Now with De Gaulle out of office, and the daily course of events in government and the country dependent upon united action of the Communists and Socialists, the question becomes the most decisive one not only for the party leaders but for all Frenchmen.

The shadow of De Gaulle and the "white horse" that hovers over France, will also cast its shade upon the efforts made for Socialist-Communist unity. It will spur on the advocates of unity, and help to overcome the obstacles still standing in the way of its achievement. Prolonged dissension in the Constituent Assembly and in the daily conduct of the government would be only an invitation to the awaiting camp of reaction to attempt a counter-revolutionary seizure of power in France.

What happens in France will deeply affect the course of events in the whole world, economically as well as politically. For the recovery of economic life is today entirely dependent upon and awaiting a minimum degree of political stabilization.

EARL BROWDER.

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Federal Bureau of Investigation
United States Department of Justice
New York, New York

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Very truly yours,

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ECONOMIC BASIS OF AMERICA'S NEW IMPERIAL PATTERN

Changes in the Structure of World Power From the First
to the Second World War.

When the United States decided, before World War II, to grant independence to the Philippine Islands at a fixed future date (1946), this was generally understood in the world as a special case, as a deviation from the standard pattern of imperialism brought about by special causes, but which could not be expected to fundamentally alter the system of colonialism, in which it was expected the United States as a great imperialist power would ultimately demand its place.

It is now becoming clear, however, that the policy of the United States is more and more definitely and energetically orientating toward the dissolution of the system of colonial empire; the step of granting national independence to the Philippines is now seen in the light, not of a special case, but of the first step in a comprehensive world policy. The United States is, tentatively and with many hesitations, but none-the-less definitely, setting itself a new imperial pattern from which colonialism is excluded.

This is a step of such profound consequences that one cannot judge lightly, upon the basis of surface events, that it is a serious long-term policy which will be carried to anything like its logical conclusions. Such a judgement can only be made upon the basis of a fundamental examination of economic factors and of the whole structure of world power relationships; only if such an analysis reveals the operation of new relationships and factors, not before decisive, can it be assumed that the apparent new U.S. policy of anti-colonialism is more than an ephemeral tactic, that it is indeed a long-term policy.

IS THE NEW PATTERN A "ROOSEVELT-NEW DEAL" PHENOMENON?

The question inevitably arises, first of all, whether the new anti-colonial trend of policy is nothing more than one of F.D. Roosevelt's New Deal experiments, owing its vogue to the exigencies of war-time, and soon to be discarded as the country returns to "normalcy."

There can be no doubt of Roosevelt's role in shaping and applying the new policy trend. In this respect, it is one of the outstanding achievements of the Roosevelt New Deal. But it differs from most of the characteristic Roosevelt policies in this respect, that it never became the center of those violent controversies which raged around FDR, that it always gained more universal acceptance (or at least toleration) than any other of the typical Roosevelt policies. It has had the active support of circles which were generally anti-Roosevelt. This comparative absence of sharp, stubborn and systematic opposition to the rise and development of anti-colonialism as a prominent feature of U.S. foreign policy, would seem to support the judgement that it is a fundamental and long-term trend with deep economic roots.

There is a wealth of evidence to support the foregoing general statements. We content ourselves at this point with citing two current expressions of opinion from outstanding conservative anti-Roosevelt journals.

The New York Herald Tribune of Jan. 3, 1946, in an editorial on the Anglo-American conflict over the terms of peace with Siam, in which the U.S. intervened to protect Siamese independence, proceeded to some illuminating generalizations. It said:

"This episode adds one more lesson, the most recent of many, to illustrate the fact that British and American interests in the Far East are not identical. America and Britain stand for the same principles in many areas of the world, but it must be recognized, to make possible realistic American policy, that a Britain with vast colonies in Asia cannot have precisely the same viewpoint there as America. American policy in Asia, if it grows out of reasonable political and economic motives, should be based on a desire for peace and for profitable trade. Peace is not to be assured in Asia without giving Asiatic peoples an opportunity to realize within a reasonable limit of time their desire for self-government. Profitable trade cannot be carried on by America with poverty-stricken agricultural colonies, but only with nations which do considerable manufacturing and have a surplus income--free of imperialistic restrictions-- with which to buy capital goods, such as electric generators, and luxury goods, such as automobiles. Even the most casual study of foreign-trade statistics supports this argument."

Our second quotation is from the United States News, edited by David Lawrence, of Dec. 28, 1945. From an article entitled "Stake in Javanese Revolt: Fate of Colonial System", we select the following revealing sentences.

"Fate of the colonial system in the most populous area of the world is regarded by U.S. officials as at stake in the outcome of the uprisings in Java.... The U.S. position is that the Allied mandate to Lord Mountbatten does not extend beyond the job of disarming the Japanese and liberating Allied prisoners and internees. This Government is not taking sides as between the British and Dutch on the one hand and the Indonesians on the other. Early in the fighting, the British were asked to remove any American labels from the Lend-Lease trucks and weapons they were using. Now the U.S. is urging an early settlement of issues between the Dutch and the Indonesians. Meanwhile, no ships in Java's ports are being loaded, and rubber and sugar badly needed in this country are not available.... Looking ahead, it appears that the whole question of colonial policy in Asia is to be laid on the doorstep of the United Nations Organization. The U.S. will share in the responsibility for any decisions concerning that policy. And signs are multiplying that the old-time system of colonial imperialism may be doomed."

When such expressions come, as a matter of course, from typical spokesmen of Republican conservatism and big business, it may be assumed that the basis of support in all classes for the anti-colonial policy initiated by Roosevelt is far broader and has deeper roots than was the case of most New Deal policies. It seems already to be established as a bi-partisan

national policy supported equally by capital and labor, and almost immune to serious challenge.

IS ANTI-COLONIALISM THE SAME AS ANTI-IMPERIALISM?

A great deal of confusion has arisen in public discussion about the U.S. anti-colonial trend, around the question whether this country is becoming anti-imperialist. The violent controversies have contributed more heat than light.

"The age of imperialism is ended" declared Sumner Welles, then Under Secretary of State, in his famous speech of May 30, 1942, the first definite and official exposition of the new U.S. anti-colonial policy.

Mr. Welles in this phrase obviously used the term "imperialism" as synonymous with "colonialism" or "the colonial system". Indeed, in the same paragraph, he so defiled the term, when he went on to say: "The right of a people to their freedom must be recognized, as the civilized world long since recognized the right of an individual to his personal freedom. The principles of the Atlantic Charter must be guaranteed to the world as a whole--in all oceans and in all continents."

Among those whose understanding and definition of imperialism is much broader than colonialism, it is impossible, of course, to accept Mr. Welles' formulation that "the age of imperialism is ended" without making it sharply clear that what is meant is the colonial system and nothing more. There are deeper, more fundamental, manifestations of imperialism than the colonial system, and it makes only for confusion and misunderstanding (as well as illusions), to use the two terms as interchangeable, as synonymous.

The United States is not pursuing an anti-imperialist policy when it takes the line of anti-colonialism, if imperialism is properly understood in its modern sense as the highest stage of capitalism, in which finance capital and monopoly predominate, and in which the export of capital becomes the characteristic feature of the relations of the imperialist power with the rest of the world. On the contrary, in this understanding of the term "imperialism" the United States is the most powerful imperialism the world has ever seen. Indeed, American anti-colonialism gains its most immediately effective support precisely, in the main, from the fact that it is an instrument of policy to promote more effectively the export of American capital.

In this sense, then, it must be said that U.S. anti-colonialism, so far from being anti-imperialist in its essential character, is the highest development of American imperialism.

Anti-colonialism is a characteristic feature of America's new "pattern for Empire" and is not anti-imperialistic in any fundamental definition of that term.

So much must be said as preliminary clearing of the ground of confusion, generated by heated and hasty polemics conducted without sufficient respect for the supremacy of the objective fact over abstract generalizations.

IS ANTI-COLONIALISM EXPLAINED BY DECLINE OF IMPERIALISM?

Is the rise of anti-colonial policy in America, the most powerful imperialist country, to be explained as one phase of the decline of imperialism? Is it caused by the declining power of the imperialist forces within the world power-relationships? Is it a policy forced upon an unwilling imperialism by more powerful democratic influences? Such questions as these are related to, but are not identical with, the question posed in the previous section, and require separate detailed examination.

From one point of approach, it is unquestionable that imperialism, taken in its world aspects, has declined in its power of control over the lives of the peoples. One-fifth of the earth, the Soviet Union, is irrevocably socialist and withdrawn from the orbit of imperialist control. The Axis empires have been crushed, eliminating the most reactionary and predatory centers of imperialist power. The forces of national liberation are rising to unprecedented heights among most of the peoples subject to alien rule. And within the countries of imperialist power, the labor and broadly-democratic movements, which have definite anti-imperialist tendencies, are rising to a power and influence hitherto unknown. All these factors set immediate limits upon the freedom of action of imperialism, and foreshadow its eventual elimination from the world.

None of these factors, however, can explain why it is in America that this anti-colonial policy has arisen, rather than in France, or Holland, or Belgium, or Britain. The French imperialist power has declined perhaps most sharply of the surviving empires; it is faced with rebellion of colonial peoples in the sharpest forms; and of all the imperialist lands it contains undoubtedly the most active and powerful democratic peoples movement dominating its current Constituent Assembly. Why is it that France does not take the course of anti-colonial policy, therefore, rather than the United States? But France, on the contrary, is reasserting her claims to colonial empire with renewed vigor, and there is no clear and unequivocal voice raised in the whole French democratic camp demanding freedom for the colonies!

Or, examine the British situation. The British Empire is quite certainly in decline, and no one insists upon this point more than the British imperialist leaders themselves. Their public lamentations on the terms of the current Anglo-American loan, in which they had to agree to a loosening of Empire economic ties in return for \$4.4 billion credit over fifty-five years, was a shrill dirge over the decline of Empire. They are faced by peoples in revolt everywhere. They are governed by the Labor Party, which has made at least gestures in the direction of anti-imperialism. Yet the British Government continues fiercely and aggressively fighting for the maintenance of colonial empire, and sheds bitter tears when it is forced by the U.S.A. to loosen the colonial economic bands slightly as the price of a loan. There is certainly no sign of an anti-colonial policy emerging in Britain, not even in the Labor Party!

The United States, on the other hand, which comes forth with the anti-colonial policy, has not undergone a decline in its strength, but on the contrary has greatly increased it. It is not under the direct pressure of colonial revolts of any considerable magnitude. It retains its traditional

inner political structure most nearly intact of all imperialist powers, and has less of a democratic upsurge within the country. It retains the classical ideology of capitalism with less modifications than in any other country. It has almost a monopoly of the world's capital available for export. It is unquestionably supreme among capitalist nations.

Certainly it is not from motives of weakness that the United States adopted the policy of anti-colonialism. To the extent that there are serious weaknesses in the position of American capitalism, it must be said that American capitalists and statesmen are sublimely unconscious of that fact. They are dominated by a feeling of power, such as they never had before. It is on the background of this subjective feeling of American power that there has been developed the American policy looking to the liquidation of the colonial system.

WHY AMERICAN IMPERIALISM FEELS STRONG.

In the period from the opening of World War I to the close of World War II, two great powers forged to the front to take precedence over all others. They are the Soviet Union (Russia), and the United States of America.

Modern imperialism is the latest (highest) stage of capitalism, in which a high degree of industrial monopoly in a few giant corporations is fused with banking capital, to dominate the life of the imperialist country. A characteristic feature of this imperialism is the export of capital, and a struggle for redivision of control of the world as market for capital export.

The Soviet Union has a radically new system of economy, socialist in character, which removes it from our definition of imperialist countries. It has no concentration of capital in private hands. It has no urge for the export of capital. Its whole economic concentration is inward, to its domestic market; it exports commodities only for the purpose of financing its needed imports. Thus, while the Soviet Union has been able with its socialist system to advance to the front rank of world powers, alongside the U.S.A., it is not an economic rival of the United States in the world market.

The United States is certainly, under our definition, an imperialist country, the most powerful that world history has ever produced. It has the highest degree of monopoly (ten great corporations held over half of all U.S. war contracts, while the 100 largest held over 80 percent!), it exports capital to all the world, it is geared to the world market (especially since the terrific expansion of its durable goods industries during World War II).

It is a little difficult to remember that as late as 1914, the United States was only potentially a first-class power but did not act in that capacity. It exerted less influence in Europe than did Italy; it exerted less influence in Asia and even in Latin America than did Britain. In 1914, the U.S.A. was still in the main a capital importing country, a field for investment by Britain, France, Germany, Holland and Belgium, who held billions of dollars in U.S. industrial shares and other securities. The Nineteenth Century industrial expansion of the U.S.A. was significantly dependent upon this flow of foreign capital. In the period 1900-1914, the U.S.A. was already beginning to export capital, but almost entirely within the Americas and even there in a role subordinate to Britain, and was still importing more capital than she exported.

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During World War I, the U.S.A. regained a large part of her securities held abroad. She ceased to import capital, and became a large-scale capital exporter. Between the two wars, the U.S.A. was the chief center of capital export for the world. During World War II, the U.S.A. was the main source of supply for her allies, insofar as they were supplied from outside their own borders, to the sum of about \$40 billion under so-called Lend-Lease. At the close of the war, in 1945, the U.S.A. emerges as the only country with a large surplus of capital for export.

In 1914, Great Britain was the dominant power in world trade and finance.

In 1945, the U.S.A. had so completely taken over Britain's former dominance that the British found it necessary to accept, unwillingly, an American loan of \$4.4 billion in order to avoid an immediate financial breakdown.

The United States has become banker-in-chief to the whole capitalist world. It is estimated that in excess of \$100 billion of idle private capital seeking investment exists today in the United States.

A few historical comparisons will serve to add significance to these dry figures.

During the 40 years of 1871-1910, capital securities issued in all countries of the world, came to a grand total of approximately \$100 billion or less. This sum is considerably less than that of U.S. Government appropriations for the single fiscal year of 1943; it is not much above the average yearly cost to the U.S. alone of conducting World War II.

During World War II, the U.S.A. Government directly invested in new war plants a sum almost ten times as great as the yearly average of all world capital investments over the four decades previous to World War I, the period 1871-1910.

In 1910, the total volume of all financial securities, representing capital investments, outstanding in the entire world, was considerably less than half the sum of today's total outstanding U.S. Government securities.

Today, practically all the world that wishes to borrow money (and who doesn't) must come to America for it.

During the past 30 years, the structure of world power has undergone profound transformations. Among these changes, one of the most far-reaching in consequences is that the United States has been transformed from a debtor nation into the foremost factor in world industry and finance, into a world-banker, without even a near rival.

All this has taken place in the period from the First to the Second World Wars.

That is why the United States imperialism is flushed with a feeling of power.

DISPARITY BETWEEN ECONOMIC POWER AND POLITICAL CONTROL

The transformation in the relations of economic (and hence of military) power, which brought the U.S.A. to predominance, reduced Britain to second-class position, and France, Holland, Belgium, even lower, has not been accompanied by a parallel transformation in the structure of political control of territories and peoples. There is a greater disparity than ever before between the distribution of economic and political power among the nations.

The British colonial system, together with those of France, Holland, Belgium, which was built upon the basis of a former economic predominance, remains as a political fact after the predominance of economic power has shifted to America.

The defeat and elimination of the Axis has been assumed by the surviving colonial powers to signify the restoration to them intact of their former colonies, and the perpetuation of the colonial system. Not one of the colonial powers has admitted even the discussion of the question of liberation of the colonies, nor any measures to bring the political division of the world into closer correlation with the hard facts of economic power. Their slogan is that uttered by Churchill: "What we have we hold." The Labor Government clings to the colonies as tenaciously as did the Tories.

In modern history the prime ^{cause} course of wars has been precisely such shifts of economic power, and the consequent drive by the rising power to gain a re-distribution of territorial control corresponding thereto, when necessary by military power, by war.

The facts show that World War II has not overcome or eliminated such unevenness of development, but on the contrary has further emphasized it.

Lenin, in his famous book Imperialism, the Highest Stage of Capitalism, (1916) posed the question as follows:

"We ask, is there under capitalism any means of remedying the disparity between the development of productive forces and the accumulation of capital on the one side, and the division of colonies and 'spheres of influence' by finance capital on the other side--other than by resorting to war?" (Selected Works, Vol. V. p. 90)

This situation, in which the U.S. holds a practical monopoly of export capital while Britain (with France, etc.) holds a near-monopoly of colonies, undoubtedly contains all the factors which in the past gave birth to major wars.

The colonial powers, which now lack capital and must themselves borrow from the United States, withhold their colonial possessions from penetration by American capital, in order to dictate terms to the U.S.A.--which in turn feels she should dictate since she holds the cash, raw material of power!

Such was the essence of the conflict between Britain and America in the recently-concluded negotiations for the \$4.4 billion loan. Such is the moving force behind the adoption by America of the policy for the liquidation of the colonial system.

If history always mechanically repeated old patterns, the United States would directly and simply demand that Britain should yield up her colonies to America, and back up the demand with military force. That would be the prospect of war between the United States and Britain. Such a prospect does not, however, appear imminent nor in the predictable future.

What seems to be shaping up is a new pattern of imperialism on the part of America. It is not new in principle, but it is new as a predominating policy. The United States is building its new pattern upon the fact, which was noted by Lenin in his book already quoted when he wrote:

"Finance capital is such a great, it may be said, such a decisive force in all economic and international relations that it is capable of subordinating to itself, and actually does subordinate to itself, even states enjoying complete political independence." (Selected Works, Vol. V, p. 74).

Lenin quoted as exemplifying this fact, Schulze-Gavernitz' statement that:

"South America, and especially Argentine, is so dependent financially on London that it ought to be described as almost a British commercial colony."

The United States has learned by experience that "states enjoying complete independence" could be swung over by (in the main) economic measures from the position of "British commercial colony" to that of American commercial colony. But where Britain held political sovereignty, as over India, the United States was checkmated. So why not make India an independent state? That would have the advantage of avoiding a costly and dangerous war, and might present some other, even more serious, advantages!

The United States today feels itself largely immune from the threat of purely economic competition on the world markets. It is noteworthy that Great Britain, in the middle decades of the Nineteenth Century, when she felt herself similarly immune from effective competition, was also opposed to colonial policy and held the opinion that liberation of the colonies and their complete separation from Great Britain was inevitable and desirable. Disraeli said in 1852: "The colonies are millstones around our necks." It was the rise of effective economic competition on the world markets that caused British statesmen to change their concept of the colonies from that of "millstones around our necks" to that of "the brightest jewels of the Royal Crown."

The anti-colonial policy of the United States is thus, far from being anti-imperialist in its essential character, revealed as the sharpest weapon in the American arsenal for securing the redistribution of the markets of the world to accord more closely with America's new position of economic dominance.

ROLE OF THE SOCIAL AND ECONOMIC CONTRADICTIONS WITHIN COLONIES

British colonial policy has always employed the social and economic contradictions existing among the colonial peoples as a major instrument to "divide and conquer". She has searched for and found those classes and groups within the colony which, each for its own special interests, is willing to become the tool, the instrument, the weapon of the subjection of its own country to the imperialist ruler. The chief example of such native tools of imperialism is usually the feudal and semi-feudal ruling classes.

Thus in India, the key to British power lies in a multitude of native states, feudal principalities which have carried over into the mid-Twentieth Century the most backward Asiatic feudalism. Under the guise of profound respect for the customs and rights of the native population, the British imperial rulers have protected and fostered these most anachronistic and backward Princely feudal regimes, and prevented them from being dissolved and swept away by the currents of modernization which surge in India as a whole. Even where these feudal political regimes do not exist, the British base themselves upon the landlord class which holds the mass of the peasantry in economic bondage that is but slightly modified from that of ancient Asiatic feudalism.

The result of this system of colonial rule is that India is kept in a condition of incredible poverty and misery, worse than their original condition because British industrial imports have crushed the economy of native handicrafts without replacing it with a modern economy. The intensified poverty of India is made the instrument of squeezing out wealth for export to the metropolis, to Britain.

When the United States approaches India, it also looks for native groups and classes which would work with America, rather than with Britain exclusively. It finds them, in the native bourgeoisie at the head of the organized national liberation movement, those who are fighting British domination. The United States can secure influence over these circles, on the basis of supporting Indian national independence.

Associated with the native bourgeoisie in the fight for independence, but distinct from them, are the organized labor and peasant movements. The United States gains a sympathetic attitude from these broadest democratic mass movements by its support, even while this support remains rather vague and platonic, to independence.

Of course, the Indian people are aware that the United States has, in the past given vague promises of support to independence movements of colonial peoples, only to repudiate those promises very quickly. That happened in the Philippines at the turn of the century. The United States made the Philippines her own colony, after promising independence in return for help against the Spanish. But American support to independence is taken more seriously now, precisely because the U.S. finally granted independence to the Philippines, after having found colonies unprofitable.

Thus the United States, moved chiefly by the urge for new fields of capital export (an essentially imperialistic motive), aligns herself in support to the bourgeois-democratic national liberation forces of India and, indirectly, with the labor and peasant movements which fight for Indian independence, and in opposition to the feudal and semi-feudal servants of the British rule. This role is objectively a progressive one, regardless of one's judgement as to the intrinsic merits of its subjective motives. The United States policy toward India, and the colonies generally, is more and more definitely and energetically toward gaining for them the status of political independence--both as a means of removing British monopoly control without a war, or at least with Indians doing the necessary fighting, and further (perhaps more important in the long run) as a means of expanding the Indian market potential.

COLONIAL MARKETS ARE TOO RESTRICTED FOR AMERICAN NEEDS

The New York Herald Tribune, already quoted, said: "Profitable trade cannot be carried on by America with poverty-stricken agricultural colonies, but only with nations which do considerable manufacturing and have a surplus income--free of imperialistic restrictions--with which to buy capital goods, such as electric generators, and luxury goods, such as automobiles."

This sentence is the key to American imperialist policy toward colonies. Colonies are too restricted in their ability to absorb capital and capital goods, to fit the needs of the United States. When the Herald Tribune speaks of "nations...free of imperialistic restrictions", it means free of colonial restrictions by Britain and further free of the fetters of feudalism that colonialism perpetuates. It does not mean free from the necessity to accept American capital investment and to buy American goods, especially capital goods--but it relies upon the fact that only America has capital for export.

Even if it were possible, therefore, for the United States to take over India and the other colonies as its own, transferring their control from Britain and the other colonial powers, this would not provide the markets needed by American industry, and it would raise insoluble problems--if nothing else were done--for the former owners. The United States requires new markets for huge volumes of goods, durable goods, capital goods, and fields for huge investments on the scale of its idle capital volume. But such markets can only be provided by nations which are modernizing and industrializing themselves. Nations can be modernized and industrialized only when they are self-governing and independent.

It is for the purpose of expanding markets, therefore, markets primarily for America's greatly expanded durable goods industries and for the investment of America's enormous accumulations of idle capital, that the United States is developing the active policy of dissolution of the colonial system.

THE ROLE OF THE SOVIET UNION AND THE UNITED NATIONS

One of the main--perhaps the decisive--factors in the world relationships of power that has facilitated and made possible the evolution of U.S. policy toward anti-colonialism, is the fact that the other greatest power in the world--the Soviet Union--is not a rival of the U.S. in the world market, and that it is vigorously and unambiguously opposed to the whole colonial system.

In the formation of the United Nations Organization, the central question in determining whether it had any serious possibility of success was whether the United States and the Soviet Union could agree upon a common general approach to the most decisive problems still unsolved in world political relations. Among these unsolved problems the most explosive was undoubtedly the question of the future of the colonies.

At the Teheran Conference, end of 1943, Roosevelt raised with Stalin the question of the projected U.N.O. being given the trusteeship over colonial territories with the mandate to transform them into self-governing nations in a given term of years. The Soviet Union expressed its support to

this proposal. Roosevelt died on the eve of the first UNO Conference in San Francisco, and in the resulting confusion of changing administration in Washington, the British succeeded in impressing upon American policy in that conference their opposition to the trusteeship proposal. The Soviet Union stood firm for it and fought for it in the Conference, but the U.S.A. abandoned it in favor of the British position. The result, in combination with other backward steps by the U.S.A. at the moment, almost wrecked the first UNO Conference. For it was this agreement on a joint policy of independence for the colonies that was one of the key factors in giving any hope for a successful UNO.

Cynics of both right and left, who have not tired of proclaiming that all hope of realizing a prolonged peace is "an illusion", have largely based their case upon the supposed impossibility for the greatest capitalist-imperialist power, the U.S.A., to find any long-term common ground with the great Socialist Federation, the U.S.S.R.

It must be admitted that if the U.S. goes out for large-scale acquisition of colonies, according to the old pattern of imperialism, that fact would take away most of the basis for believing in the possibility of a long-term peace. For such a policy on the part of the U.S. would make a third World War practically inevitable. The prospects for a long peace depend in the first place upon a degree of unity between the two greatest powers that will be able to control the forces making for war.

Peace, therefore, depends upon the firmness with which the U.S. holds to its policy of liberation and independence for the subject peoples, and upon the question whether the Soviet Union can find the grounds for continuous collaboration with such a policy which, on the part of the U.S. is manifestly an imperialist policy even though it is anti-colonial.

Trotskyites answer the question about the Soviet Union by saying: Yes, it can cooperate with American imperialism because it has abandoned socialism and betrayed the principles of Lenin. Other critics answer the question: No, the USSR cannot long cooperate with American imperialism, because to do so would mean betrayal of socialism and Lenin's teachings. Both types of critics agree that Lenin taught the necessity of perpetual war against imperialism so long as it exists and under all conditions.

This is a very shallow and dogmatic interpretation of Lenin's teachings in relation to imperialism. In the first place, Lenin analyzed imperialism and its consequences before the Soviet Union had arisen and taken its place as a great power, and when imperialism was a power shared by a number of nations of the same general magnitude. The principles of his analysis will have different results when applied to today's world, in which there are only two really first-class powers and one of them is the socialist Soviet Union. Today the problem of world peace is, in the main and decisively, the problem of relations between these two powers--a most fundamental transformation from the days when Lenin spoke so decisively of the impossibility of a long-term peace. Under the conditions which he was analysing, it would have been the purest opportunist illusion to play with the idea of a possible long-term peace. Those conditions no longer exist.

Lenin polemicized most sharply against Kautsky for his theory that "ultra-imperialism", the union of many imperialist powers, would abolish war. In the course of this polemic, Lenin answered Kautsky in the following words:

"We will presume that all the imperialist countries conclude an alliance for the 'peaceful' sharing out of these parts of Asia; this alliance would be an alliance of 'internationally united finance capital'. As a matter of fact, alliances of this kind have been made in the twentieth century, notably with regard to China. We ask, is it 'conceivable', assuming that the capitalist system remains intact--and this is precisely the assumption that Kautsky does make that such alliances would be more than temporary, that they would eliminate friction, conflicts and struggle in all and every possible form? This question only requires stating clearly enough to make it impossible for any but a negative answer to be given...." (Selected Works Vol. V. p. 109)

Now, the decisive point for the present argument, in this statement of Lenin, is the phrase "assuming that the capitalist system remains intact". For this is precisely what has not happened in the meantime. The socialist Soviet Union is a great and victorious power, and there is only one other first-class power remaining in the world, namely the U.S.A.; the German, Japanese, and Italian empires have been shattered, and eliminated; the allied colonial powers have been enormously weakened; and in a number of countries have arisen new regimes of a character transitional toward socialism. The problem of peace and its possibility is obviously entirely different than that which Lenin spoke of in his polemic with Kautsky. The principles of Lenin applied to today's problem would give quite a different answer as to whether peace is possible, when it is a question of peace between the U.S.A. and the U.S.S.R.

Indeed, in 1916 (!) Lenin went out of his way to castigate the ultra-revolutionary phrase-mongers who thought it possible to justify any and every measure ~~if it could be said that thereby~~ "we will be fighting against our mortal enemy, imperialism." Lenin ridiculed these words of P. Kievsky, against whom he was polemicizing, saying the strength consisted only in the use of strong and sonorous words, instead of employing strong arguments. Then Lenin went on to say:

"But this argument is wrong. Imperialism is as much our 'mortal' enemy as is capitalism. That is so. No Marxist will forget, however, that capitalism is progressive compared with feudalism and ~~that~~ imperialism is progressive compared with pre-monopoly capitalism. Hence, it is not our duty to support every struggle against imperialism. We will not support the struggle of the reactionary classes against imperialism; we will not support an uprising of the reactionary classes against imperialism and capitalism." (Selected Works, Vol.V, p.299)

It is nonsense, therefore, to give any weight whatever to those who speak of the impossibility of long-term peace and collaboration between the U.S.A. and the U.S.S.R. merely upon the grounds that the latter, because it follows the principles of Lenin, must make war against the U.S.A. because the latter is an imperialist country. The principles of Lenin do not in the slightest manner lay down any inevitability of war between the U.S.A. and the U.S.S.R.

It is also clear that, according to the principles of Lenin, the U.S.S.R. can find a common ground of policy with the United States, to the degree, for example, that the U.S.A. follows the course for the dissolution of the colonial empire system--despite the fact that U.S. motives in such policy are imperialistic in the sense in which the Soviet Union understands that term.

It is beyond doubt that a long-term peace can be brought to the world through the United Nations Organization, despite the fact that the two most powerful nations whose joint leadership is necessary to that aim, have different economic and political systems, one socialistic and the other capitalist-imperialistic. This long-term peace is possible because the two greatest powers, each for its own reasons and with its own motives, can agree upon a joint policy in meeting the most crucial problems of the world which will be progressive and in the common interest of all peoples.

* * * * *

The structure of argument of this analysis of America's new imperial pattern calls for an examination at this point of the programmatic relations of the American working class to American foreign policy and imperialism. This is a very intricate question that will require the extended treatment of a separate report. We hope to have it ready for our readers in a few weeks.

EARL BROWDER

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H. GOLDBERG
President

Jan. 26, 1946
Vol. 1 #4

- 33 -

ECONOMIC BACKGROUND OF GENERAL MARSHALL'S MISSION TO CHINA.

The truce in China's civil war announced Jan. 10, followed immediately by the announcement to the Political Consultation Conference of the inauguration of civil liberties, equal rights of political parties, local self-government, and the release of political prisoners, is a tremendous political achievement by the American Ambassador, General Marshall.

It is the economic background of these events, however, which gives them their greatest immediate interest to the majority of Americans, and also gives them their most lasting significance.

General Marshall's mission to China was to carry out the policy Roosevelt formulated in 1943, but which had been reversed by former-Ambassador Hurley in favor of his own personal policy in late 1944 and 1945; the Roosevelt policy called for the use of America's influence to bring an end to China's civil war and to start the unification and democratization of China on a national scale.

Background for this political mission, the moving force which made it possible, was the American interest in the China market, as a customer for American goods and a field of investment for American capital export.

American interest in exporting goods and capital to China could be protected and advanced only by putting into effect this policy. Former-Ambassador Hurley had seriously damaged these interests and placed them in peril, when he forgot Roosevelt's directives and went off on a wild tangent based entirely upon political ideologies and prejudices which violated the basic American interest, which was economic. That is why Hurley's resignation, with all its sound and fury, was forgotten in a few days and no man is today so poor as to do him honor. That is why General Marshall, released only a few days before from America's chief military command, accepted the appointment to China with out hesitation, on a few moments notice, and flew there within a few days.

Marshall's success in China will rank in historical importance not far behind his war-time services as Chief-of-Staff of the U.S. Army in the war.

This analysis is mainly concerned with the economic factors underlying American policy in China, factors which made Marshall's mission so important and which also made possible its success.

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WHY AMERICAN ECONOMY REQUIRES KUOMINTANG-COMMUNIST UNITY.

Many political commentators of both right and left assume as a matter of course that U.S. Governmental policy must be hostile to Communists, wherever they may be; that consequently when the U.S. urges and promotes unity in China between the Kuomintang (the ruling party) and the Communists, there is something screwy somewhere. The right-wing commentators attack the policy as a retreat before hostile forces, as abandonment of the true 100% American position, as appeasement of Bolshevism. The left-wing criticizes it as hypocritical and insincere, as a tipping of the hat to left opinion, with tongue in cheek, merely to gain time, as a concession forced upon the Government by a picketline at the State Department and some street demonstrations, etc.

Both these views are somewhat silly, but they have astoundingly wide acceptance in unthinking circles.

In truth American policy which works for unity and democratization of China has its motive power chiefly and directly in American economic needs and plans of a rather long-range scope. Nothing less profound than this economic motive could have overcome the obstacles of prejudice, fixed ideas, and previous commitments on policy, which had to be cleared out of the way (and to which Hurley had reverted when he faced his first difficulties, thereby bringing about his own ludicrous downfall).

The United States wishes Kuomintang-Communist unity in China, because this is the essential first-step to the unity and democratization (modernization) of that country, without which it cannot develop as a market for American goods and capital on the scale desired and needed by American economy.

Why cannot the Kuomintang alone (with U.S. backing) make of China the huge market desired by America?

The answer to this question will be more easily understood if it is broken-down into two parts:

First, the Kuomintang alone cannot unify China. This statement is not a theoretical conclusion, it is a proved historical fact. The Kuomintang rose to power on the basis of unity with the Communists, achieved under the leadership of Dr. Sun Yat-sen (1924-26). Chiang Kai-shek forced a split with the Communists (early in 1927), massacred them in hundreds of thousands, and began a war of extermination against them that lasted without interruption for ten years.

In this ten-year war against the Communists, Chiang had the aid of the Germans, the British, the Japanese, and the Americans -- of all the great powers except the Soviet Union. When he began this war, the Communists were weak and scattered; at the end of ten years the Communists were strong, while Chiang faced serious mutiny in his own armies. In the winter of 1936-37, it was only intervention by the Communists which saved Chiang from death at the hands of his own armies in Sian. This led to a truce in the civil war, in order to resist the Japanese invaders; but the truce was again broken by the Kuomintang in 1940-41. Chiang again actively prepared for full-scale resumption of civil war as soon as America would beat Japan, expecting to receive American support in this aim. With Japanese surrender, Chiang began his war on a broad scale.

One fact stands out above all else in this historical record. It is that the Communists grew stronger and stronger, the more Chiang Kai-shek made war against them. At the beginning of the civil war in 1927, the Communists had one small army in central Kiangsi Province; in 1945, they led regular armies of at least 600,000 soldiers, with auxiliary guerillas numbering 2,500,000, in an area of 96,000,000 population in which elected self-government had been firmly established for the first time in Chinese history.

The conclusion was inescapable for all realistic persons, regardless of ideology or the direction of their sympathies, that Chiang and his forces were incapable of unifying China by military means.

Second, the incapacity of the Kuomintang is the result of its reactionary social composition and policy. Under Sun Yat-sen's leadership, the Kuomintang was a broadly democratic party basing itself upon the people. Its program was the San Min Chu I, or Three Peoples' Principles of national independence and unity, democratic self-government, and the peoples' livelihood, while its composition was based on the workers and peasants together with the progressive bourgeoisie. But Chiang's war against the Communists changed all that.

The civil war against the Communists was in reality a war against the people. Chiang suppressed the workers and peasants mass organizations; it subordinated the progressive bourgeoisie to a dictatorship of the landlord-militarist elements which moved into the Kuomintang and ruled it with an iron-clad machine with Chiang at the head. All democratic practices were abolished in the Kuomintang which ruled absolutely the state machinery; policy became the direct expression of the semi-feudal landlord class with its parasitic hangers-on, the speculators, usurers, market monopolists, etc.

These results of Chiang's leadership have been described by Dr. Sun Fo, president of the Chinese Legislature and son of Dr. Sun Yat-sen, as follows:

"In these twenty years the machinery and practice of the Kuomintang have turned in a wrong direction, inconsistent with the Party Constitution drafted by Dr. Sun Yat-sen in 1923, and contrary to the spirit of true democracy... I feel strongly that to realize democracy in this state, we must first democratize the Kuomintang."

(China Looks Forward, by Sun Fo; John Day Co., N.Y. 1944, pp.107-8).

Democratization of the Kuomintang from within, however, has proved impossible. All the democratic forces in the country had to turn to other organizations. Besides the Communist Party, which is the most powerful, there are six other democratic parties which are federated in the Democratic League. The six non-Communist democratic parties have been able to exert little practical influence upon events in China because, unlike the Communists, they have not been able to protect their followers from the secret police, thought-control and concentration camps operated by the Kuomintang.

THE SEMI-FEUDAL PROGRAM OF CHIANG KAI-SHEK.

With America's entrance into the war, our Government began rapidly to learn the realities of China which had hitherto been obscured by clouds of propaganda, ideology and prejudice.

The U.S. Army learned, for example, that it was impossible to secure the mobilization of China's military and economic forces for the war against Japan. Even American supplies were being hoarded for the prospective resumption of the civil war. It was learned that the Communists, without aid from outside, were conducting more effective war against the Japanese than was the Kuomintang. Donald Nelson learned that the Chinese economy was stifled by speculative profiteering, protected and promoted by the Government. Henry Wallace learned that Chinese agriculture was being choked by high rents and usury, which prevented the most elementary measures of modernization.

It was in 1943, that the U.S. Government came to the definite conclusion that it could not best conduct the war nor aid the reconstruction of China after the war, by simply backing Chiang Kai-shek and his Kuomintang dictatorship. The occasion for this decision was probably the publication of Chiang's book, China's Destiny. It revealed his basic outlook and program as reactionary, semi-feudal, and destructive of America's hopes for the development of China as a huge market for goods and capital through modernization of that country.

Chiang has forbidden the publication of his book in America, doubtless because he quickly learned that it had dismayed the American leaders who had been supporting him, and had caused them to reconsider their position. But the U.S. Government knew the contents of the book, receiving a complete translation of it immediately on its publication. It has been widely quoted from the Chinese by many American publications, most notably in the magazine Amerasia. There is no reason, therefore, for any interested person to remain ignorant of Chiang's ideas.

The thesis of Chiang's book is the glorification of China's ancient feudalism as the "golden age" to which the country must return. He recognizes the need of industrialization but proposes to keep it on the model of Japan -- that is, modern industry mainly for armaments, superimposed upon an unchanged feudal basis in agriculture and government. The many nations within China are refused recognition (although this was a basic item in Sun Yat-sen's program), and a Chinese version of "racism" is put forward in its stead. He develops the idea of unification, and of the role of party and state, strictly upon the Hitlerian model. He names Western democracy and liberalism, together with Communism, as the enemies of China's ancient culture which he is determined to restore.

It is obvious that the long-continued dominance over China of Chiang Kai-shek's reactionary, semi-feudal program would halt the progress of the Chinese people, and would threaten the peace and stability of the Far East. It is equally obvious that this program is hostile to the interests of America which call for the broadest possible development of the Chinese market.

That is why the United States Government came to the decision that it must cease its exclusive support to Chiang Kai-shek's one-party, semi-feudal dictatorship exercised through the Kuomintang. That is why the U.S. turned to the policy of insisting upon the legalization of the other parties in China, and the institution of democratic reforms. That is why, finally the U.S. came to the support of the proposals for unity and democracy in China, which had long been made by the Communists.

WHY THE U.S. CHANGED ITS MIND ABOUT THE COMMUNISTS.

It was not easy for the U.S. Government to change its policy toward the Chinese Communists. And this change has not proceeded without serious hesitations and deviations.

This was certainly to be expected. After all, the "red scare" is not dead yet; the "fear of Bolshevism", the bogie of the "sovietization of China", by the manipulation of which Hitler and Japan had come perilously close to conquest of the world, continues to exercise its influence upon American policy-making circles even today. This fear may yet do great damage to the world; it was doubtless the main item Roosevelt had in mind when he declared, again and again, "We have nothing to fear but fear itself."

There were many factors -- military, political, and economic -- which combined to change the attitude of the U.S. Government towards the Chinese Communists.

The military factors arose from the experience of the U.S. Army that the Communists were the better fighters against the common Japanese enemy, and the more cooperative ally.

The political factors arose from the situation in which only the Communists were able to play a completely independent role outside the Kuomintang; the six other democratic parties pursue a precarious existence, subject to the whims of the ruling Kuomintang bureaucracy, without any means of self-defense. Even those who wish to push the non-communist democratic parties to the front, as a means of modifying the Kuomintang dictatorship, faced the fact that this could only be begun by forcing a settlement between the Kuomintang and Communists.

Perhaps it was the economic factors which were most influential in the change of U.S. policy toward support of the Communists' program of unity.

American observers found that the region of China under Communist leadership, had established democratically-elected local and regional governments, an economic policy which strengthened the fight against Japan, and at the same time greatly improved the well-being of the mass of the Chinese people, was being followed. This was in sharp contrast to the economic disintegration within Kuomintang-ruled China, where corruption, speculation, inflation, and usury were bringing conditions of chaos and desperate misery to the people.

Most startling to American observers, was the discovery that under the Kuomintang, capitalistic industrial production was being economically strangled, while under the Communist leadership there was improved and advancing economy of the people, giving rise to a rapid growth of capitalistic production!

When these observers studied the program of the Chinese Communist Party, they found that this development was not accidental; that it had been planned that way, not only for the war, but for a long time after victory.

In contrast to Chiang and the Kuomintang, who would turn China back to feudalism, the Communists are leading China toward a modern capitalistic economy -- modified, it is true, by government-ownership of monopolies and

by social legislation -- but nevertheless definitely toward a modern capitalism. The Chinese Communists hope that this will eventually enable China to become socialist, but they do not propose any immediate socialist measures -- not "over scores of years."

The factor which was choking, strangling, industry under the Kuomintang was the dominance of the feudal-landlord influence. That which stimulated industry -- and the economy generally -- under the Communists was first of all their land reform, the sharp reduction and control of rents (which under the Kuomintang run from 50 to 75 percent of the product), the repression of usury and speculation, and the suppression of corruption in government. These economic measures, made effective by the backing of free elections and universal suffrage, have started China on the road of modernization.

The aims of the Chinese Communist Party were stated by Mao Tse-tung, its Chairman, at the Party Congress held in Yanan, on April 24, 1945, as follows:

"So far as the annihilation of the Japanese aggressors and the building of a new China are concerned, the fundamental views of us Communists are, at the present stage, identical with those held by the overwhelming majority of the Chinese people. These are: Firstly, China should not have a feudalistic, fascist, anti-popular system of dictatorship of the big land-owners and big bourgeoisie, because such a system has been proved entirely bankrupt by the chief ruling cliques of the Kuomintang in their eighteen years' rule. Secondly, China cannot and should not attempt to build a state along the lines of the dictatorship of the old historical type -- a democratic dictatorship exclusively of the liberal bourgeoisie. For, in China, the liberal bourgeoisie has so far proved itself to be very weak economically and politically, while on the other hand there has appeared in China a factor -- the Chinese proletariat with its leader, the Chinese Communist Party -- which has become class-conscious, demonstrated its tremendous capabilities in the political arena of China and given leadership to the vast masses of the peasant class, the petty bourgeoisie, the intellectuals, and other democratic elements. Thirdly, in the present stage, while the task of the Chinese people is still to oppose national and feudal oppression, while the social-economic prerequisites are still absent in China, the Chinese people cannot and therefore should not attempt to build a socialist state....

"Some people fear that Chinese Communists are opposed to the development of individuality or of private capital and the protection of private property. These fears are unfounded. National and feudal oppression has restricted the development of individuality and private capital, and has ruined the property of the masses. The task of our new democratic system is to remove this restriction and ruin, to safeguard the free development of the peoples' individuality in their social life, to promote the free development of private capitalist economy that benefits instead of controls the peoples' livelihood, and to protect all legitimate private property....

"Some people cannot understand why the Communists, far from being antipathetic to capitalism, actually promote its development. To them we can simply say this much: To replace the oppression of foreign imperialism and native feudalism with the development of

capitalism is not only an advance, but also an unavoidable process; it will benefit not only the capitalist class but also the proletariat....

"In the entire bourgeois democratic revolution stage, over scores of years, our new democratic general program is unchanged....

"Under the new democratic state the policy of harmonizing the relationship between capital and labor will be adopted. The interests of the workers will be protected... On the other hand, the proper profits, under reasonable management, of state, private and cooperative enterprises will be assured. Thus, both labor and capital will work jointly for the development of industrial production.

"Large amounts of capital will be needed for the development of our industries. They will come chiefly from the accumulated wealth of the Chinese people, and at the same time from foreign assistance. We welcome foreign investments if such are beneficial to China's economy and are made in accordance with China's laws. Enterprises profitable to both the Chinese people and foreigners are swiftly expanding large-scale light and heavy industries and modernizing agriculture, which can become a reality when there is firm internal and international peace, and when political and agrarian reforms are thoroughly carried out. On this basis, we shall be able to absorb vast amounts of foreign investments. A politically retrogressive and economically impoverished China will be unprofitable not only to the Chinese people, but also to foreigners."

(The Fight for a New China, by Mao Tse-tung, N.Y. 1945, pp. 33, 34, 36, 38, 41, 62.)

Thus the reason why the United States Government revised its attitude toward the Chinese Communists was that it learned, not only that the Kuomintang followed a direction that was damaging to America's hopes for market development, but further that the Chinese Communists had the clearest and most definite program for China which fitted into America's market requirements.

These economic motives and considerations are decisive in the making of long-term policy. It is impossible to understand current politics without fully tracing out the connection with its background and basic economic motives.

General Marshall, in bringing about the truce between the Kuomintang and Communists, in pressing for unification and the democratization in China, in laying the foundation for a coalition government -- was advancing the prospects for export of American goods and capital to China. He was fighting for American markets.

Unless this is understood, nothing about current events in China is understood.

EARL BROWDER.

THE ECONOMIC PROBLEM OF DISTRIBUTION COSTS.

The application of engineering science to production is the basis of the economic predominance of the United States. Mass production methods, the elimination of waste, the labor-saving machine -- these are the motive-power that concentrated half the world's production in this country.

Distribution methods have by no means kept pace with production in the utilization of engineering principles. There is a great gap between the two fields, which gives rise to an increasing number of problems and intensifies old ones.

There are many first-class minds being devoted to this question in the United States, in relation to the domestic distribution of goods. Very little attention is given as yet to the machinery of distribution in foreign markets. But in both fields, what progress is being made -- and it is comparatively slow -- is in the field of technique, in the main, while the study of the economic preconditions for expanding distribution remains neglected.

Many of the contradictions arising in the distribution field are inherent in the prevailing economic system. The main structure of distribution is fixed by the underlying system of production, and can be modified radically only in direct relation thereto.

In this approach to distribution problems, we are confining ourselves to those aspects which deal with bringing distribution more into line with the progress of production; we exclude from consideration at this time any aspect which involves those restrictions to distribution which arise inevitably from the production system itself.

The particular point from which we approach this restricted field is that of distribution costs on consumers' goods.

OVER HALF OF CONSUMERS DOLLAR PAYS DISTRIBUTION COSTS

Studies of distribution costs agree that something more than half of the average consumer's dollar goes to pay for the costs of distribution. The rate varies widely for the different basic types of goods; on food, the rate is lowest at 18 to 20 percent, while on men's clothing and some durable goods it goes up to 50 and 75 percent.

Obviously if all distribution costs were as low as those on food, there would be no pressing necessity for profound economic studies on the subject. There would still remain the burning question of the high cost of food, but the solution for that must be sought outside the direct field of distribution.

Under the war-time rationing of food there arose the "black market", which gives an illuminating example of what happens to distribution costs when organized marketing operations break down. Food costs of distribution on the "black market" became comparable to or exceeded, the highest costs of distribution noted in normal trade in other types of goods.

This comparison points to the cause of the high cost rates in most types of goods; it lies in the low degree of organization of the market even under so-called normal conditions of marketing.

Food distribution exhibits the highest degree of organization of the marketing process as a result of the simple fact that the demand for food is a constant, daily demand for each consumer. It is accentuated by the development of more and more standardized demands in the population.

If the consumer market were fully organized, so that goods could flow from their point of production into the outlet channels without delays and waste motion, and without multiplicity of handlings, there is little doubt that costs of distribution could be reduced below an average of 20 percent, probably as low as ten percent.

There is here, then, a potential saving of 80 to 90 percent of all human energy expended in the consumer market (we eliminate from this domestic analysis all consideration of the production and distribution of capital goods).

If this potential saving were fully realized, it would be sufficient to provide, if the energy now lost in distribution were transferred to production, nearly a doubling of the volume of goods delivered to the consumer — for with a fully organized market, the increased volume would very slightly raise the total cost of distribution.

This potential saving in distribution costs is much greater than any further advances in scientific production could realize, since in production the greatest basic improvements have already taken place.

The problem of the hour for economic leaders and thinkers is doubtless the realization of the largest possible degree of the organization of the market, so that the distribution field may be brought up to a much closer relation to efficiency in production.

THE FIRST PRECONDITION FOR A BETTER ORGANIZED MARKET.

Achievement of a higher degree of organization of the market is most difficult when the market is shrinking and is most facilitated by the conditions that accompany expansion of volume. While the immediate outlook is for such expansion, it is not nearly so clear that expansion can be depended upon to continue uninterruptedly for the several years that will be required to realize what was described by Mr. E. I. Merks of R.H. Macy & Co., Inc., as "a durable prosperity of a type unknown to us", to actually cross that "threshold" of what he described as "the chemical era of merchandising". (N.Y. Times, Jan. 16, 1946).

The over-all condition of expansion will be gained or lost by the effectiveness (or lack of it) of governmental national policies directed toward maintaining and expanding mass purchasing power at home, and opening up ever-larger markets abroad (in the latter case mainly for capital goods). Separate groups, concerns, and individuals can influence this over-all condition chiefly by joining in support or opposition to the policies formulated and applied by government. On this level economics merges with politics in the most direct fashion; this fact is often deplored, but it is the most decisive fact of the day, and there is little that can be done to change it.

The individual enterprise which strives for a better-organized market for itself, is also necessarily trying to expand its market. Increase in volume is an almost invariable precondition for the better organization of the market, for the individual enterprise as well as for the economy as a whole.

This goal may be striven for by the single enterprise alone, in competition with the "world" and in opposition to government policies. It may be sought alone, and in support of government policies. It may be attempted in cooperation with other enterprises, in trade associations, etc. Mergers of enterprises may be the method used to increase volume, and thus secure the preconditions for better organization; this latter is the best for the growth of large merchandising corporations, department stores, chain stores, etc.

Whatever the method used to gain greater volume of market, there are two necessary and invariable accompaniments to its realization; there must be a lowering of unit costs of distribution, the benefits of which are divided between the enterprise and its customers; and there is a rise in the composition of capital involved, a squeezing out or absorption of smaller competing capitals, a rise in the volume of profit accompanied by a lowering of its rate -- the latter depending upon the successful stabilization of the enterprise upon its higher level after expansion.

For all this process to occur on a significantly large scale in relation to the whole national economy, there must exist a surplus of idle capital over and above that which is demanded by production and by the development of the foreign market. There must be a movement of new capital into the field of distribution in large volume. Both these conditions seem to exist on an effective scale in the United States today.

COMPARATIVE ROLE OF HIGHER TECHNIQUES AND LARGER CAPITALS.

The characteristic feature of the higher degree of organization of the market, in its economic aspects, is the rise in the organic composition of capital, its concentration and centralization under single managements where before it had been dispersed under many managements.

This fact sometimes gives rise to the illusion that there is some magic in large volume of concentrated capital which automatically makes it successful in competition with smaller capitals. There takes place, under the influence of such illusion, a striving for bigness for its own sake, in the expectation that success is thereby assured.

There is no such automatic connection between size and efficiency or size and success.

The rise in the composition of capital, its concentration and centralization into ever larger single enterprises, can be a continuous and relatively stable process only to the degree that it takes place upon the basis of the improvement of technique, of effective adjustment of the functioning of the enterprise to the needs of the market, of flexibility in meeting changing conditions, and the passing on of palpable benefits to the customers. This has been the experience in the growth of large-scale production, and it is even more true in the field of distribution.

Unless this experience is taken fully into account, bigness, the growth in size alone, unaccompanied by the exploitation of the highest technical methods and their constant improvement, tends unavoidably to degenerate into parasitism and decay, and eventual failure.

A smaller capital utilizing the most advanced technique to the limit of its ability, will inevitably gain greater successes than a larger capital which is not alert, which relies upon its "weight" to carry it along, which neglects the constant improvement of its organization and methods of work.

Given the same technical level of operations, however, it remains true that a decisive advantage accrues to the largest accumulation of capital. This is why, in spite of the constant succession of examples of the decline and fall of big capital accumulations, and the successful rise of new enterprises from small beginnings, the main trend of economic history is the rising dominance of the big enterprise, with growing capitalization under single management, and the consequent elimination of large numbers of small enterprises which cannot keep pace with the best technical organization.

EARL BROWDER.

62
cc - Mr. Ladd
Mr. Dunn

The Attorney General

March 6, 1946

John Edgar Hoover - Director, Federal Bureau of Investigation

NATHAN GREGORY SILVERMASTER, with aliases, et al

63996

ml
JF19

I thought you would be interested to know that information has come to the attention of this Bureau through a source regarded as completely reliable that Harry Dexter White, Assistant Secretary of the Treasury, according to information furnished by his wife, has indicated that he will sever his connections with the Treasury Department upon his return from the coming monetary conference to be held at Savannah, Georgia. He intends to leave for Savannah next Thursday, March 7, 1946.

See 22

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DATE 1/5/83 BY SP5 JJA/ST

3042 put/DJC Hs
2/2/88

11-23

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65-56409
7 MAR 1946

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- Tracy
- Carson
- Egan
- Gurnea
- Harbo
- Hendon
- Pennington
- Quinn
- Nease
- G. C. ...

SENT FROM D. O.
TIME 10:40 am
DATE 3-8-46
BY 202

MAR 7 4 20 PM '46

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

SECURITY COMMUNICATIONS SECTION

CLASSIFIED BY 3042
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- Mr. E. A. Tamm
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- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

WASHINGTON 3 AND NEW YORK 2 FROM WASH FIELD

DIRECTOR AND SAC URGENT

WATMAN GREGORY SILVERMASTER, WAS, ET AL ESPIONAGE R. CONFIDENTIAL

SOURCE ADVISED ON MARCH FOUR, HALPERIN CONTACTED LOUIE REAN, AMERICAN

RED CROSS WHO ADVISED THERE WAS NOTHING MORE HE COULD DO. IT IS RECALLED ON FEB. NINETEEN, [REDACTED] REAN INDICATED HE HAD BEEN UNABLE TO LOCATE THAT GUY. AT THAT TIME HE INDICATED HE WAS GOING TO TAKE A [REDACTED] SLEEPER AND WOULD BE BACK ON SLEEPER FOLLOWING NIGHT. ALSO ON FEB. TWENTYTWO REAN INDICATED HE HAD TALKED TO JOE PANUCH, PHONETIC WHO INDICATED HE HAD NEVER HEARD OF THE MATTER BUT WOULD GO INTO IT VERY THOROUGHLY. PANUCH POSSIBLE IDENTICAL WITH INDIVIDUAL THIS [REDACTED] NAME ASSOCIATED SECRETARY BYRNES AND BELIEVED EMPLOYED STATE DEPARTMENT. DURING MARCH FOUR [REDACTED] CONVERSATION, HALPERIN INDICATE HE HAD TALKED WITH MC CORMACK THAT MORNING AND PARTED FRIENDS. HE STATED THAT MCCORMACK [REDACTED] AS MUCH AS SAID HE WAS [REDACTED] QUITTING. IN THIS CONNECTION, REAN AND HALPERIN COMMENTED ON STRONG POSSIBILITY GENERAL MARSHALL MIGHT SUCEED BYRNES. HALPERIN ALSO STATED HE SAW BEN COHEN WHO WAS MOST SYMPATHETIC AND STATED HE DID NOT LIKE THE PROCEDURE AND HAD LONG ADVOCATED SOME SORT OF BOARD WHICH CONGRESS MIGHT TRUST AND WHAT NOT. HALPERIN ATTRIBUTED HIS DISMIS[REDACTED] TO HIS OLD [REDACTED]

OKLAHOMA BACKGROUND AND SKELETONS IN HIS [REDACTED] CLOSET. HE INDICATED HE PLANNED TAKING SICK LEAVE WHICH WOULD CARRY HIM UNTIL END OF MAY.

END PAGE ONE (EX - 98)

57 MAR 13 1946

30 MAR 8 1946

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CONFIDENTIAL
Harney

Memo [unclear]

PAGE TWO

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63992

~~CONFIDENTIAL~~

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AND ANNUAL LEAVE WOULD KEEP HIM ON PAYROLLS UNTIL OCTOBER. REAN INDICATED HIS WORK AT RED CROSS IS [REDACTED] EXTREMELY INTERESTING OBSERVING QUOTE OF COURSE YOU HAVE GOT TO CREEP IN CAREFULLY AND NOT DO YOUR JOB TOO OBSTREPEROUSLY UNQUOTE. HALPERIN'S COMMENT WAS QUOTE THIS [REDACTED] MUST REALLY BE SOMETHING THOUGH FROM WHAT YOU HAVE TOLD ME UNQUOTE. SUBSEQUENTLY HALPERIN HAD LONG CONVERSATION WITH ONE DOC, [REDACTED] POSSIBLY BOB [REDACTED] ROGERS OSS. HALPERIN INDICATED GOING TO BOSTON, MASS. WED. AND RETURN ABOUT MONDAY. INFORMED DOC HE WOULD SEE UNITED FOOD COMPANY MAN AND ENDEAVOR SELL [REDACTED] HIM PROPOSITION. DOC INQUIRED IF HALPERIN HAD ANY WORD FROM BOSTON. HALPERIN STATED NOT [REDACTED] YET BUT WOULD GET IN TOUCH WITH HIS FRIEND LEVITT, PHONETIC [REDACTED] IN NORTH CAROLINA BY [REDACTED] GOVERNMENT PHONE. HE DESCRIBED HIM AS A LATIN AMERICAN [REDACTED] EXPERT. ON MARCH FOUR, HALPERIN DISPATCHED NIGHTLETTER TO PHILLIP [REDACTED] HALPERIN ONE ONE FIVE SIX COMMONWEALTH AVE. BOSTON. QUOTE TAKING THREE PM TRAIN WED. MARCH SIXTH. EXPECT ME AFTER MIDNIGHT. MAUR. UNQUOTE. WILL REQUEST COVERAGE BOSTON DIVISION [REDACTED] FOLLOWING DEPARTURE. CONFIDENTIAL SOURCE ADVISED DUNCAN [REDACTED] LEE CONTACTED ONE MARJORIE [REDACTED] KENNEDY, ROOM SEVEN NAUGHT TWO, CHASTELTON HOTEL, WHO HAD RECEIVED MESSAGE YESTERDAY FROM MRS. BETTY [REDACTED] MCDONALD, WHOM SHE KNEW IN CHINA. MARJORIE WONDERED WHY BETTY IS HERE AND LEE STATED SHE HAS BEEN NIBBLING AT VARIOUS JOBS AND THERE ARE VARIOUS REASONS WHY SHE MIGHT BE HERE. MARJORIE SAID SHE CALLED [REDACTED] U

END PAGE TWO

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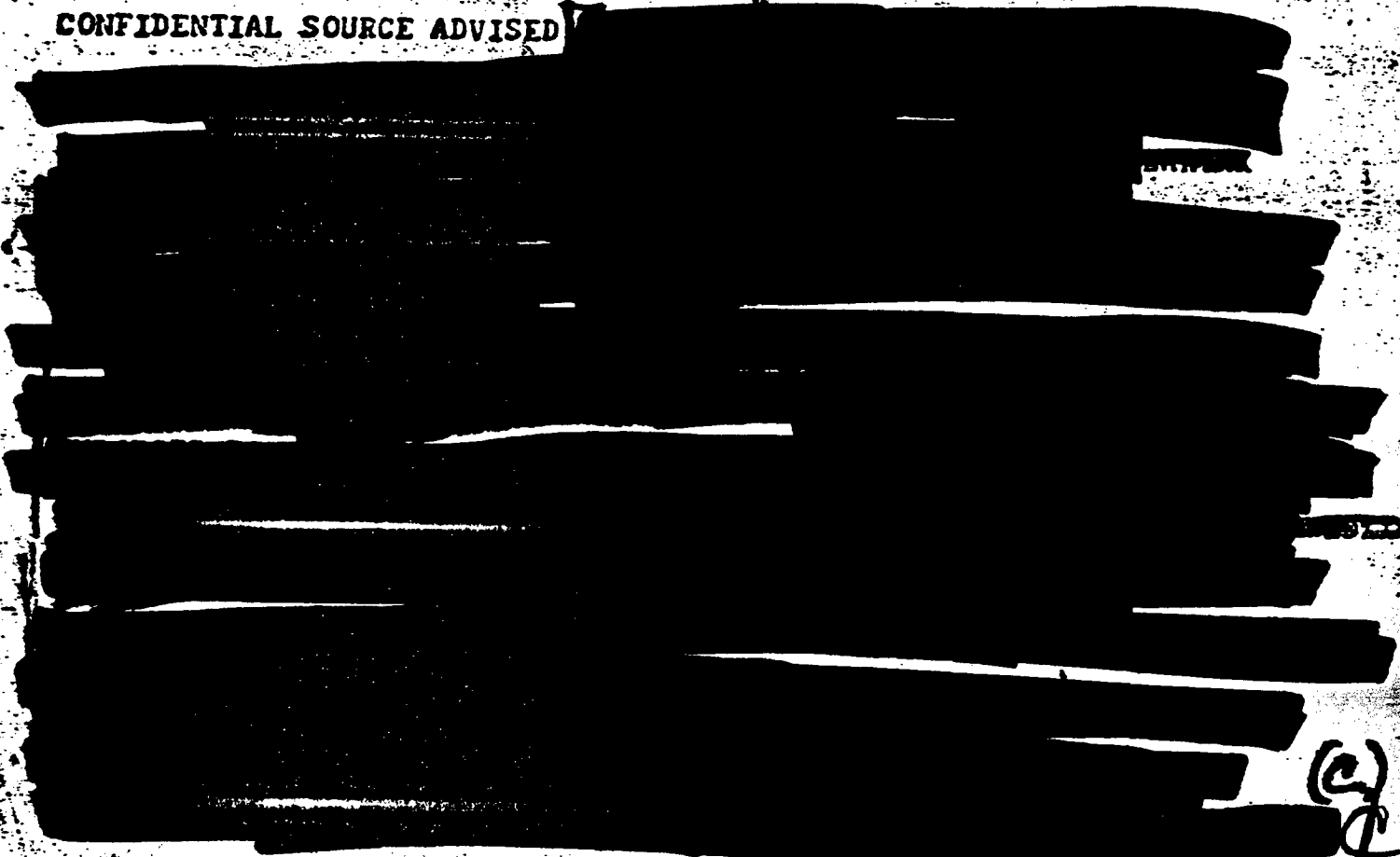
PAGE THREE

59

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SECRET

ANNABELLE, NEW YORK CITY, WHITEHALL FOUR SIX SEVEN TWO ONE. ON MARCH
 FOUR, REDMONT MADE RESERVATIONS FOR THREE ON ROYAL BLUE TO NEW YORK
 DEPARTING THREE ~~FOUR~~ FORTYFIVE PM MARCH EIGHT. CONFIDENTIAL
 SOURCE ADVISED ELLEN SCHAEFFER, WIFE OF BUSINESS ASSOCIATE, CONTACTED
 SILVERMAN CONCERNING MEETING OF ALL ~~THE~~ FOUR, PRESUMABLY SCHAEFFER,
 GOLD AND WAGNER. THEREAFTER, ELLEN INQUIRED ABOUT LEON BLUM AND SILVER-
 MAN ~~HE~~ STATED HE IS SICK AND WAS FORCED TO POSTPONE VISIT HERE.
 CONFIDENTIAL SOURCE ADVISED



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END PAGE THREE

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~~SECRET~~ CONFIDENTIAL

PAGE FOUR

[REDACTED]

CONFIDENTIAL SOURCE ADVISED OF

[REDACTED]

CONFIDENTIAL SOURCE REFLECTS MARY WHEELER
CONTACTED NUMEROUS PERSONS CONCERNING POSTPONEMENT OF BOOKSHOP PARTY
FOR ELANOR WHEELER. DUE TO ILLNESS, PARTY BEING POSTPONED UNTIL
SATURDAY A WEEK. NUMEROUS NAMES, INCLUDING MOST OF PROMINENT

END PAGE FOUR

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~~CONFIDENTIAL~~

61

THIS COPY IS REVISED

APR 1950

~~CONFIDENTIAL~~

~~SECRET~~

PAGE FIVE

BOOKSHOP MEMBERS, WILL ATTEND THE PARTY. ALL NAMES FAMILAR THIS OFFICE
NOT ~~BE~~ SET FORTH HEREIN.

cu

M

HOTTEL

WA ACK AND HOLD PLS

NY ACK AND DISC

WA WHAT IS THE LAST WORD IN THE FITH LINE ON THE FOURTH PAGE PLS
DISREGARD THAT IS NOT SUPPOSED TO BE THERE

cu

THX WFI R 3 WA

NY

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WFO R 2 NY

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NOVEMBER 21, 1945

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SENT VIA RADIO

11-21-45

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- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Coffey _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Mr. Mohr _____
- Mr. Carson _____
- Mr. Harbo _____
- Mr. Hendon _____
- Mr. Mumford _____
- Mr. Jones _____
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- Mr. Nease _____
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FROM OTTAWA 12-5-45 NR 882 11:08 AM EST

REFERRING TO YOUR TELEGRAM 917 NOVEMBER 22

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12-5-45

11:14 AM EST

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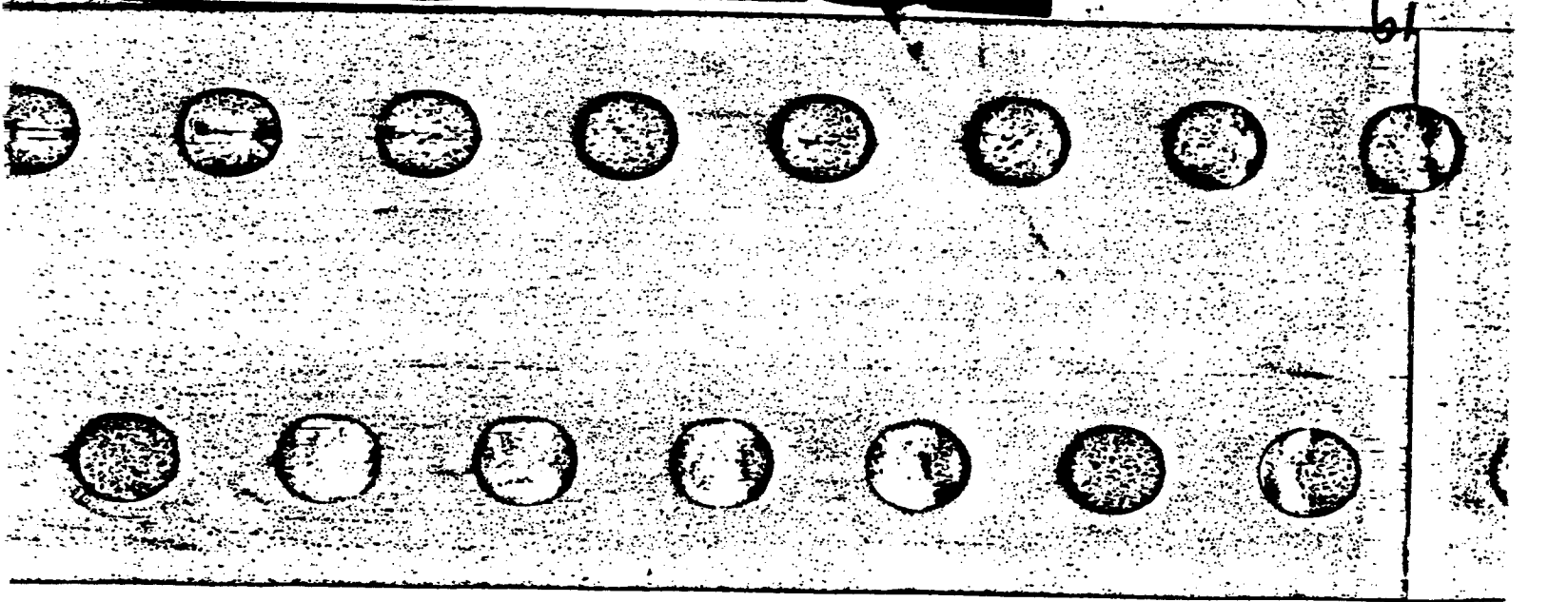
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46

19 11

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: January 23, 1946

FROM : GUY HOTTEL, SAC, Washington Field Division

SUBJECT: NATHAN GREGORY SILVERMASTER, WAS, ET AL
ESPIONAGE - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/63 BY SP3 KJG

RE: DAVID RALPH WAHL

In connection with the instant investigation, the files concerning DAVID RALPH WAHL were examined in the Confidential Information Section, Investigative Division of the United States Civil Service Commission, 804 G Street, N.W.

It is also noted that WAHL was a member of the Library of Congress under ARCHIBALD MACLEISH and apparently he received a hearing in April of 1943 before the Dies Committee which was a member of the General Congressional Office of F.B.I.

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23

SECRET

JAN 25 1946

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FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

 1 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
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X NO DUPLICATION FEE X
X FOR THIS PAGE X
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WFO 100-17493

[REDACTED]

It was believed that the Bureau might be interested in the above information as reflected in the attitude of a considerable group of officials at F.E.A., most of whom were aware of the information developed against WAHL and all of whom claimed close or intimate acquaintance with him and knowledge concerning his character, loyalty, etc.

Referred

MAT:EC
cc-New York (2)

45

JOHN EDGAR HOOVER
DIRECTOR



Federal Bureau of Investigation
United States Department of Justice

FEB 19 1946

Washington, D. C.

February 19, 1946

PERSONAL AND CONFIDENTIAL

- Mr. Tolson
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

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2/18/88
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MEMORANDUM FOR THE ATTORNEY GENERAL

H. GREGORY SILVERMASTER

In connection with this Bureau's investigation of Soviet espionage activities, it has been determined that

[REDACTED]

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Respectfully,
John Edgar Hoover
Director

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TWX to Newark
2/21/46
JDO:ha
KEEP IN F. B. I. FILES
2/26/46 GFS.

CONFIDENTIAL

W. J. ...
J. ...

~~CONFIDENTIAL~~

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

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65-56402-540

To: COMMUNICATIONS SECTION.

FEBRUARY 21, 1946

FRONT

[REDACTED] c

Transmit the following message to: SAC, MEMPHIS

SECURITY SURVEILLANCE: W. GREGORY SILVERMASTER, WA, ET AL, ESPIONAGE R.

[REDACTED]

JDD:lm

HOVER

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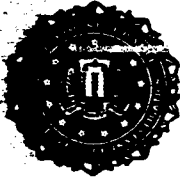
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VIA [Stamp] 1946

Per [Signature]



43

United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.

Mr. Tolson	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Glavin	.....
Mr. Ladd	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Carson	.....
Mr. Egan	.....
Mr. Gurnea	.....
Mr. Harbo	.....
Mr. Hendon	.....
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

ON REPLY, PLEASE REFER TO
FILE NO. _____

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6/2/83

February 21, 1946

Director, FBI

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R

~~RECORDED~~

Dear Sir:

The services of Confidential Informant [redacted] have been utilized to ascertain the activities of CEDRIC HENNING BELFRAGE, a subject of this case, who resides at Croton-on-Hudson, New York. *Q U 62 610*

This informant has determined when BELFRAGE would visit New York City and on many occasions the names of individuals he was to contact have been reported. Information of this type has been of considerable assistance in the operation of a physical surveillance and contacts of BELFRAGE such as JOSEPH NORTH, V. J. FEROME, and LEO RUBERMAN who are well-known writers of long standing in Communist circles have been ascertained. According to this informant, BELFRAGE spoke to GERTRUDE RIENT MANGADAREN who formerly worked for the American Embassy in Moscow, Russia, and who has been suspected of being a Russian agent. *Q U*

In view of the value of this informant, it is recommended that the services of Informant [redacted] be continued. *Q U*

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ON 2/8/88
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Very truly yours,

E. E. Conroy
E. E. CONROY,
SAC

LWS:RAA
65-14603

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EX-6 1946
65-54242-541
MAR 6 1946
FILES
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59 MAR 18 1946

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SAC - New York City

~~CONFIDENTIAL~~

February 28, 1946

John Edgar Hoover - Director, Federal Bureau of Investigation

MAYAN GREGORY SILVERMASTER, with aliases, et al
ESPIONAGE - R

NORMAN CHANDLER BURSNER
INTERNAL SECURITY - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/5/83 BY SP6 BJA/PT

There is enclosed herewith a summary memorandum for the information of the New York and Washington Field Divisions relating to the background and Communist Party activity of Norman Chandler Bursler, an employee of the United States Department of Justice, Anti-Trust Division, who has also been identified by Elisabeth Terrill Bentley as a subject in the above captioned Silvermaster espionage investigation.

The New York Field Division is being considered Office of Origin and it is requested that a complete investigation be conducted concerning Bursler's present activity, his present address and record of Communist Party or related affiliations in New York City. During the course of this investigation, consideration should be given to the advisability and probable productivity of a physical surveillance, as well as other means of discreet surveillance.

[REDACTED]

The Washington Field Division is requested to obtain all available information regarding Norman Bursler from the confidential investigative files of the United States Civil Service Commission. It is pointed out in this regard that the Civil Service Commission has previously indicated that information of considerable value is in its possession.

The report in this matter should be submitted to the Bureau within fifteen days from the date of receipt of this letter by each Field Division.

For the inclusion in the files of the Washington and New York Field Divisions, there are also forwarded herewith photostatic copies of the pertinent serials contained in the United States Department of Justice files regarding Norman Bursler, and also copies of photographs of the subject which were contained in these files.

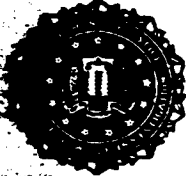
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Washington, D. C. COMMUNICATIONS SECTION

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41
 United States Department of Justice
 Federal Bureau of Investigation
 New York, N. Y.



Mr. Nichols
 Mr. Rosen
 Mr. Tracy
 Mr. Egan
 Mr. Pennington
 Mr. Quinn
 Mr. Nease

IN REPLY, PLEASE REFER TO
 FILE NO. _____

ALL INFORMATION CONTAINED
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 EXCEPT WHERE SHOWN
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PERSONAL AND CONFIDENTIAL

Classified by SP5-RJG/LOT
 Declassify on: OADR
60163

C
 NK

March 4, 1946

Director, FBI

Re: NATHAN GREGORY SILVERMASTER,
 with aliases, et al;
 ESPIONAGE - R

Dear Sir:

~~Confidential Informant~~ [redacted] whose services are being
 utilized in connection with the activities of ~~Confidential Informant~~
 GREGORY in this investigation, has furnished the following information
 of value:

b2
 b7D

On February 4, 1946, Confidential Informant GREGORY was in
 contact with Mr. ~~BERDANSKY~~ of ~~World Tourist, Inc.~~, and discussed the
 matter of a new contract with the USSR. This informant supplies day-
 to-day information concerning the whereabouts and activities of Confiden-
 tial Informant GREGORY in this case, and it is suggested that the
 services of this informant be continued.

Very truly yours,

E. E. Conroy
 E. E. CONROY,
 SAC

TGS:RAA
 65-11603

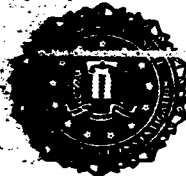
DECLASSIFIED BY 3042 Jut/Dtc
 ON 2/8/88

RECORDED
 &
 INDEXED

65-56462-3
 543

File 6
 CONFIDENTIAL

53 MAR 13 1946



United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.

40

Mr. Tolson	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Glavin	.....
Mr. Ladd	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease

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~~CONFIDENTIAL~~

Director, FBI

March 4, 1946

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R

MRS. RAY ELSON
161 West 16th Street
New York, N. Y.

DECLASSIFIED BY SP5 RP

Dear Sir:

~~Confidential Informant~~ [redacted] has been employed during the past month to report the activities of Mrs. RAY ELSON, 161 West 16th Street, New York, N. Y., telephone number WAtkins 9-8559.

During the past month this informant has reported considerable information concerning RAY ELSON'S activities and contacts, particularly in connection with contacts about which no previous information had been developed in this case. She is presently employed in the offices of the National Federation of Constitutional Liberties, 205 East 42nd Street, New York, N. Y. Information has been obtained through this informant that should result in the identification of a contact known as YANKO (phonetic), believed to be of significance in connection with the ELSON investigation. In addition, the use of this informant has been of considerable value in connection with the physical surveillance presently being conducted of ELSON'S activities.

For the above reasons, and in view of the fact that RAY ELSON is considered an important subject in this case by the New York Field Division, it is believed that the services of Confidential Informant [redacted] should be continued for another month.

Very truly yours,

E. E. CONROY
SAC

RECORDED

INDEXED

HRH:RAA
65-14603

~~CONFIDENTIAL~~

53 MAR 13 1946

62
67D
544
54
7 1946
File
[Handwritten signatures and initials]

FEB 20 1950
NWIK

65-56402-545

CHANGED TO

65-58528 - X8

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3042 put/DTC
2/8/88

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

CONFIDENTIAL

MAR 2 1946

DECLASSIFIED BY 3042 [signature]

CONFIDENTIAL

WASHINGTON 3 AND NEW YORK FROM WASHINGTON FIELD

DIRECTOR AND SAC

URGENT 2-8-46
Classified by 3042 [signature]
Declassify on: OADR

NATHAN GREGORY SILVERMASTER, WAS ET AL ESPIONAGE R [CONFIDENTIAL] SOURCE

ADVISED MRS. HALPERIN INFORMED A FRIEND THAT MAURICE HALPERIN PLANS TO WRITE BOOK AND HAS PUBLISHER. SHE THOUGHT HE WOULD PREFER DOING LATIN AMERICAN WORK OR SETTING UP INSTITUTE. ALSO STATED HE WOULD WORK IN WASHINGTON, BUT GOING TO BOSTON WEDNESDAY TO SEE WHAT THE SITUATION IS. WILL RETURN MONDAY. SAME SOURCE ADVISED ON EVENING MARCH FIVE, HALPERIN CONTACTED DAVE WAHL, WHO ADVISED HE HAD SOME COMPANY AND INVITED HALPERIN OVER. COMPANY INCLUDED IRVING DWORK, PHONETIC, WHO IS WAHL'S COUNTER PART IN WOREN JEWISH CONGRESS AND CAPTAIN HERBERT PIERCE, CIVIL AFFAIRS COMMISSION UNDER GENERAL HLEBRING. HALPERIN WAS

DOUBTFUL IF COULD MAKE IT. ON MARCH FIVE CONFIDENTIAL SOURCE ADVISED SUBJECT DUNCAN LEE INDICATED HE MIGHT GO TO PHILA ON MARCH SIX. NOTHING FURTHER AVAILABLE THIS MATTER. ON MARCH FIVE, ONE FREIDA CLARK, PHONETIC, FROM NEW YORK CITY CONTACTED BEATTIE MAGDOE DESCRIBING HERSELF AS A COUSIN OF SYLLA

RUBINSTEIN. STATED HERE ON BUSINESS TO COLLECT CONTRIBUTION. ALSO STATED LEAVING FOR PHILADELPHIA AND WANTED TO MEET MAGDOE.

CONFIDENTIAL SOURCE ADVISED ON MARCH FIVE SUBJECT HILLER CONTACTED CHARLES P. KINDERMAN AT HOME, INDICATING HIS CHIEF STATED HILLER WAS WANTED FOR VISIT TO WASHINGTON

EMBASSY WASHINGTON TO FORMULATE PLANS FOR WHAT THESE [unclear] MAR 20 1946
END PAGE ONE 8710
CONFIDENTIAL

PAGE TWO

CONFIDENTIAL

ABROAD SHOULD BE ALLOWED TO DO WHEN THEY BEGIN TO BE REPRESENTED
ABROAD. KINDLEBERGER INDICATED HE KNEW ABOUT PROJECT, WHICH
DESCRIBED AS DIRTY JOB OF ADMINISTRATIVE CHARACTER WITH LEGAL
ASPECTS AND NO POLICY FORMING [REDACTED] CHARACTERISTICS

CONFIDENTIAL

SOME SEVEN MINUTES LATER, MILLER CONTACTED ONE DOC, BELIEVED TO BE
DOCTOR ROBERT THATCHER MORSE, WHO IS APPARENTLY RUSSIAN. MILLER WISHED
TO SEE DOC WHO WAS HESITANT BECAUSE SOMEONE WAS THERE AND PROBABLY
BEST NOT TO COME. DOC INQUIRED IF MILLER FOUND OUT ANYTHING, AND WHEN
MILLER STATED NO DOC STATED QUOTE I DID [REDACTED] UNQUOTE. MILLER THEN
INDICATED HIS LEG HURT AND THE DOC STATED HE [REDACTED] COULD
COME ON OVER. MILLER ADVISED HE WOULD ARRIVE IN HALF HOUR. FROM
PREVIOUS LENGTHY CONVERSATION BETWEEN MRS. MILLER AND MORSE, CONCLUSION
REACHED THAT MORSE IS DEFINITELY COMMUNISTIC

u

ON MARCH FOUR, ANNE
REMINGTON CONTACTED MIDGE ALLEN, WHO ADVISED WARD ALLEN HAS BEEN
OFFERED JOB IN BERLIN AND MUST GIVE ANSWER IMMEDIATELY. SHE INDICATED
ON THIS OCCASION ALLENS WOULD BE ABLE TO [REDACTED] STUDY RUSSIAN WITH THE
REMINGTONS THAT NIGHT. SUBSEQUENTLY ANNE DISCUSSED [REDACTED] OPPORTUNITY
OF ALLEN WITH [REDACTED] SUBJECT REMINGTON, INDICATING WITH ALLENS ULTIMATE
AIM IN INTERNATIONAL AFFAIRS, JOB WAS PROBABLY GOOD [REDACTED] OPPORTUNITY.
BILL COMMENTED IT DEPENDED ON THE QUALITY OF HIS PRESENT POSITION.

u

CONFIDENTIAL SOURCE ADVISED ON MARCH FIVE, JOE GOLD CONTACTED SILVERMAN

END PAGE TWO

CONFIDENTIAL

CONFIDENTIAL

u

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CONFIDENTIAL

PAGE FOUR

[REDACTED]

ON MARCH FIVE,
CONFIDENTIAL SOURCE ADVISED SAM MILLER CONTACTED ANNE WHITE WHO b1
INDICATED HARRY WOULD PROBABLY LEAVE WASHINGTON FOR SAVANNAH ON
THURSDAY. SAM INQUIRED IF HARRY WOULD QUIT TREASURY BEFORE HE
GOES ON TRIP AND ANNE STATED NOT UNTIL HE GETS BACK. TELETYPE SENT
BOSTON DIVISION REQUESTING SURVEILLANCE ACTIVITIES HALPERIN THERE. J4

*memos to Vaughn,
Shuckler, R. G. Kent
Vinson, A. G. White
END out on log 7/2/44*

WA ACK AND DISC

NY ACK AND HOLD PLEASE

WA

WFO R 3 WA

NY

WFO R 2 NY

cc: Mr. Harney

CONFIDENTIAL

33

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 23 1945

TELETYPE

63988

~~CONFIDENTIAL~~

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Declassify on OADR
6/19/83

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OTHERWISE

WASHINGTON FROM NEW YORK 6 29 12-47 PM

DIRECTOR URGENT

SOFT. N. GREGORY SILVERMASTER, WAS, ETAL., ESPIONAGE R.
RE ALBERT EUGENE KAHN., CEDRIC HENNING BELFRAGE. AUTH-
ORITY REQUESTED TO PLACE MAIL COVERS ON KAHN COVERING
ADDRESS OF WHITEHILL RD., YORKTOWN HEIGHTS, N. Y., AND
BELFRAGE, COVERING ADDRESS OF FINNEY FARM, CROTON ON
HUDSON, N. Y. UNLESS ADVISED TO CONTRARY THESE
COVERS WILL BE PLACED IMMEDIATELY.

J. Edgar Hoover
[Signature]

RECORDED
5-6402-54
8 547
MAR 8 1948

DECLASSIFIED BY 3042 *[Signature]*
ON 2/8/88

END
58 MAR 18 1946

~~CONFIDENTIAL~~

[Signature]
[Signature]

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OTHERWISE

63987

November 29, 1945

~~CONFIDENTIAL~~

Classified by 305419
Declassify on: ONDR
6/2/83

MEMORANDUM FOR THE ATTORNEY GENERAL

RE: RUTH HIFKIN

In connection with this Bureau's investigation of Soviet espionage,
it has been reported that Ruth Hifkin, 3665 38th Street, Northwest, Washington,
D. C., Telephone Woodley 9668, is engaged in espionage activity for the Soviets.

I recommend authorization of a technical surveillance on Ruth Hifkin
for the purpose of determining the extent of her activities on behalf of
the Soviets and for the additional purpose of identifying espionage agents.

Respectfully,

J. Edgar Hoover
John Edgar Hoover
Director

DECLASSIFIED BY 3042 fwt/BIC
ON 2/10/88

165-56442-547X

31 DEC 8 1945

RECORDED

RECEIVED - DIST. DIVISION
NOV 29 9 30 AM '45

- Tolson
- E. A. Tamm
- Clegg
- Coffey
- Glavin
- Ladd
- Nichols
- Rosen
- Tracy
- Carson
- Egan
- Hendon
- Pennington
- Quinn
- Nease
- Gandy

CC - Mr. Tamm
Mr. Ladd
Mr. Donohoe

but direct

CONFIDENTIAL

LETTER FROM D. O.
TIME 2:12 pm
DATE 11-29-45
BY nic

held overnight
in P.O.

31

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

OFFICE OF THE ATTORNEY GENERAL
NOV 30 1945

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Pennington
- Mr. Quinn Tamm

November 29, 1945

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EXCEPT WHERE SHOWN
OTHERWISE

~~PERSONAL AND CONFIDENTIAL~~

MEMORANDUM FOR THE ATTORNEY GENERAL

Classified by 305200
Declassify on OADR
6/21/83

RE: RUTH RIFKIN
63986
DECLASSIFIED BY 3042-pw/ok
ON 2/10/88

In connection with this Bureau's investigation of Soviet espionage, it has been reported that Ruth Rifkin, 3665 38th Street, Northwest, Washington, D. C., telephone Woodley 9888, is engaged in espionage activity for the Soviets.

I recommend authorization of a technical surveillance on Ruth Rifkin for the purpose of determining the extent of her activities on behalf of the Soviets and for the additional purpose of identifying espionage agents.

Respectfully,
RECORDED
EX-10
5-36402-5478

John Edgar Hoover
Director

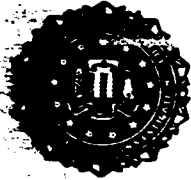
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80 JAN 16 1946

CA Miller W.F.O.
5:14 PM
10-15
KAA



United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.



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PERSONAL AND CONFIDENTIAL

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6/2/83

February 28, 1946

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy

Director, FBI

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R

Dear Sir:

The services of ~~Confidential Informant~~ [redacted] have been
utilized in this case.

This informant supplies daily information relative to the
location and activities of Informant GREGORY, who is an extremely im-
portant individual in this investigation. On February 11, 1946, this
informant advised that GREGORY made an appointment with EARL BROWDER
to see him on that date.

In view of the value of this informant, it is suggested that
its services be continued for another month.

Very truly yours,

E. E. Conroy
E. E. CONROY,
SAC

TGS:RAA
65-14603

DECLASSIFIED BY 3042 jmt/dtc
2/8/88

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&
INDEXED

65-156-2 548

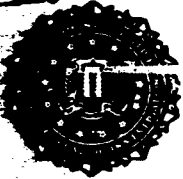
EX-9

FEB 27 1946

50 MAR 15 1946

289

CONFIDENTIAL



28
United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.

Mr. Tolson	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Glavin	.....
Mr. Ladd	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Carson	.....
Mr. Egan	.....
Mr. Gurnea	.....
Mr. Harbo	.....
Mr. Hendon	.....
Mr. Pennington	.....
Mr. Quinn	.....
Mr. Nease	.....
Miss Gandy	.....

IN REPLY, PLEASE REFER TO
FILE NO. _____

~~PERSONAL AND CONFIDENTIAL~~

DECLASSIFIED BY 615 RJA
ON 3/17/83

March 5, 1946

Classified by SP3 RJA
Declassify on: OADR 6/1

Director, FBI

#19
DECLASSIFIED BY 3042 Jut/DJC
ON 2/8/88

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R
Mrs. RAY ELSON, with aliases

Dear Sir:

Mrs. RAY ELSON, 161 West 16th Street, New York, N. Y., has been a subject of investigation in this case as a result of information obtained from Confidential Informant GREGORY concerning ELSON'S participation in Russian espionage activities.

It will be recalled that ELSON first became known to GREGORY in February, 1945, through JACK, who was at one time GREGORY'S Russian contact. ELSON had been selected by JACK to replace GREGORY in the United States Service and Shipping Corporation, 212 Fifth Avenue, New York City, and was given \$500 by a Russian contact to acquire stock in this corporation. Also, according to GREGORY, ELSON had her own Russian contact and was in addition able to arrange meetings between GREGORY and ANATOLI GROMOV in New York City and Washington, D. C. Because of this information, and because of ELSON'S Communist background, she has been considered an important subject in this case and the object of intensive investigation.

ELSON has been under daily physical surveillance from 8:00 a.m. to 1:00 a.m. or later, if she is still active, and the services of Confidential Informant [redacted] have been utilized. Numerous contacts have been identified as a result of this investigation, many of whom are known Communists and subjects of previous Bureau investigations.

However, in the past few weeks RAY ELSON'S daytime activities have become routine by reason of the fact that she has been employed in the offices of the National Federation of Constitutional Liberties, 205 East 42nd Street, New York, N. Y. Her husband, JOSEPH ELSON, is attending art school, and for this reason it is believed that she has obtained this employment because of financial necessity so that her husband may finish

COPIES DESTROYED 1/3/58

HRH:RAA
65-14603

RECORDED
&
INDEXED

56 MAR 1 1946

EX-7 67

CONFIDENTIAL

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NY 65-14603

March 5, 1946

~~CONFIDENTIAL~~

his training. There has been some indication that she might discontinue this employment on March 1. However, this has not occurred, and it is known that she is working on a national conference of the National Federation of Constitutional Liberties. Therefore the 8:00 a.m. to 5:00 p.m. physical surveillance has been of only limited productivity. From this it has been learned that ELSON usually spends the day at her place of employment and has lunch with either a known contact or another employee of the office.

Because of the fact that RAY ELSON is an important subject, and because of the fact that she may at any time make a contact of importance to investigation of this case, it is not believed that the physical surveillance should be discontinued entirely. However, it is contemplated that the 8:00 a.m. to 5:00 p.m. physical surveillance from Monday through Friday of each week will be discontinued beginning on March 18, 1946, unless the Bureau advises to the contrary by that time. A physical surveillance will still be maintained from 8:00 a.m. to 5:00 p.m. on Saturday and Sunday of each week and in the evening as in the past. It will be possible to institute the evening physical surveillance at the time ELSON leaves her place of employment.

Should information be obtained through Confidential Informant [redacted] or otherwise that ELSON will not be at her place of employment during the day as usual, the physical surveillance will be re-instituted during that day, or should her employment be discontinued the physical surveillance can again be re-instituted during the daytime. The fact that ELSON has discontinued employment would immediately be learned through Confidential Informant [redacted] or from the 4:00 p.m. to 1:00 a.m. physical surveillance. *Q*

b2
b7D

Therefore, unless the Bureau advises to the contrary by March 18, 1946, the physical surveillance of RAY ELSON will be maintained only in the manner as outlined above in this letter.

Very truly yours,

E. E. Conroy
E. E. CONROY,
SAC

SPECIAL DELIVERY

~~CONFIDENTIAL~~

27

19

SAC, New York

March 6, 1946

John Edgar Hoover - Director, Federal Bureau of Investigation

NATHAN GREGORY SILVERMASTER, was, et al.
ESPIONAGE - R

NORMAN CHANDLER BURSLE
INTERNAL SECURITY - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 4/5/83 BY SP5 RJA/4F
3042 Jut/BTC 12/8/88

Reference is made to recent Bureau communications wherein the New York and Washington Field Divisions were furnished with information relating to Norman Chandler Bursler and his activities as a subject in the Silvermaster Espionage investigation.

It is requested that the New York and Washington Field Divisions, until notified to the contrary, report the results of the investigation relating to Norman Chandler Bursler in both the case entitled Nathan Gregory Silvermaster, with aliases, et al, Espionage R, and the main file on Norman Chandler Bursler.

For the information of the Washington Division, it is noted that Norman Chandler Bursler recently visited the home of Nathan Gregory Silvermaster in Washington, D. C. It is requested that the Washington Division determine if Norman Bursler presently maintains a residence in Washington, D. C., or intends to do so in the near future.

65-56402-550
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

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50 MAR 15 1946
65-56402 - 1946 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

[Handwritten signatures and initials]

26

PERSONAL AND CONFIDENTIAL

SAC, New York

March 11, 1946

John Edgar Hoover - Director, Federal Bureau of Investigation

NATHAN GREGORY SILVERMASTER, was, et al
ESPIONAGE - R

DECLASSIFIED BY SP5 RLG/pt
ON 9/5/83

3042 JwT/Dtc 2/8/84

For the assistance of the New York and Washington Field Divisions in the investigation of the Silvermaster Case, there is attached hereto for these offices one copy of a summary prepared by the Bureau entitled "Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government," dated February 21, 1946. This summary covers all aspects of the Silvermaster Case from the time of its inception in November, 1945, to February 21, 1946.

It is specifically pointed out that no material contained therein should be included in any investigative reports submitted by your offices nor should any of the information contained therein be made available to any outside sources without specific Bureau authority.

Attachment

cc - Washington Field (by Special Messenger)

RECORDS SECTION
EX - 40
INDEXED
65-56402-551
FEDERAL BUREAU OF INVESTIGATION
MAR 8 1946
Copies Nos. 16 & 17 of "Underground Soviet Espionage Organization (NKVD) in Agencies of the U. S. Government" forwarded to Washington Field & SAC, New York respectively as enclosures.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

FLJ:rol

Registered Mail

MAR 28 1946

[Handwritten signatures and initials]

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

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- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy

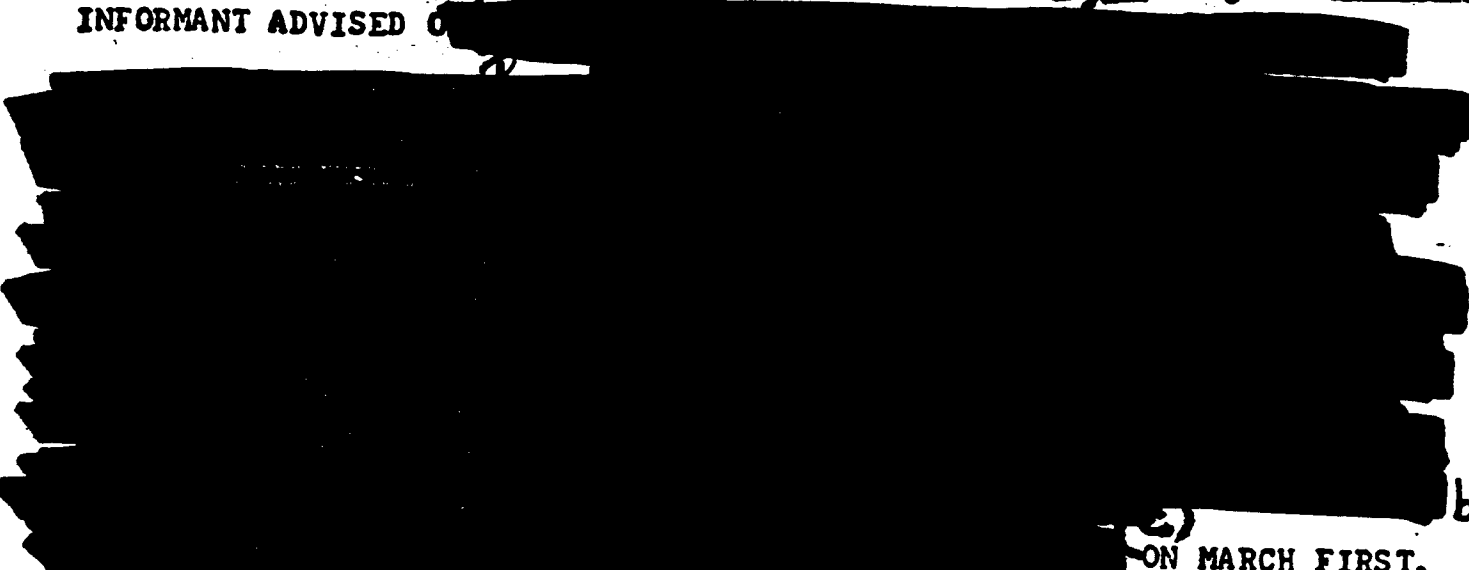
93877

WASHINGTON 1 AND NEW YORK 1 FROM WASH FIELD 4 6-20 P

DIRECTOR AND SAC U R G E N T

NATHAN GREGORY SILVERMASTER, WAS ET AL, ESPIONAGE R. **CONFIDENTIAL**

INFORMANT ADVISED



ON MARCH FIRST,

CONFIDENTIAL SOURCE ADVISED MAGDOFF INFORMED WIFE HE HAD LUNCH WITH PROGRAM DIRECTOR, APPARENTLY NATIONAL HOUSING AGENCY, WHO INDICATED IF MAGDOFF WENT THERE HE WOULD BE MATERIAL REQUIREMENTS DIRECTOR. THEY DISCUSSED CIVIL SERVICE STATUS OF MAGDOFF, AND HARRY INDICATED VEET, PHONETIC, V. LOUIS BASSIE, HAD TAKEN CARE OF HIM WHEN HE ENTERED COMMERCE. ON MARCH TWO, LAST, SUBJECT FITZGERALD CONTACTED MRS. MAGDOFF, WHO INDICATED SUBJECT HARRY MAGDOFF IS SOMEWHAT DISCOURAGED AT COMMERCE. FITZGERLAD INDICATED HE WAS UNCERTAIN ABOUT NHA BECAUSE QUOTE WE DONT KNOW TOO MUCH ABOUT WYATT YET AND HOW HE IS GOING TO TURN OUT, UNQUOTE. FITZGERALD THOUGHT ANY MOVE BY MAGDOFF WOULD EFFECT HIM. ON MARCH TWO, CONFIDENTIAL INFOR MANT ADVISED BARNEY LEROY CONTACTED MILLER FOR GOLFING MATCH. LEROY INDICATED HE HAD NOT YET QUIT THE HILD BUT THOUGHT HE WOULD

RECORDED 65-56702-55

INDEXED 19 MAR 25 1956

CONFIDENTIAL

52 MAR 25 1956

PAGE TWO

CONFIDENTIAL

SHORTLY HE INQUIRED WHAT MILLER IS DOING ON BRITISH LOAN AND MILLER STATED STATE DEPARTMENT IS DOING SOMETHING, BUT ALL HE DOES IS PRINTING AND PROVIDING BOOKS. BARNEY EXPRESSED INTEREST IN DISTRIBUTION OF THE PUBLICATIONS AS HE IS INTERESTED IN AVENUE FOR AN ARTICLE ON LOAN. BARNEY HAS STARTED TO WORK ON LOAN AND TALKED TO DONALD RUSSELL STATE DEPARTMENT WHOM HE CONSIDERS DOPE. HE TOLD RUSSELL SENATOR PEPPER WANTED TO DO SOMETHING ON BRITISH LOAN, BUT RUSSELL IS NO PUBLIC RELATIONS MAN. LEROY INDICATED RANDY, PRESUMABLY RANDOLPH FELTUS, TREASURY DEPARTMENT, GOT PRETTY MUCH DISGUSTED OVER ATTITUDE AT STATE DEPARTMENT. BARNEY SAID THEY SHOULD UTILIZE PEPPER ON RADIO AND STATE COULD ARRANGE THIS. CONFIDENTIAL INFORMANT ADVISED ON MARCH [REDACTED] TWO SUBJECT REDMONT INDICATED HE AND JOAN REDMONT WILL VISIT NEW YORK NEXT WEEKEND. REDMONT HAS YET TO PICK UP HIS VISAS ON MARCH ONE. IN CONVERSATION BETWEEN BEATTIE MAGDOFF AND JOAN [REDACTED] BREWIND, LATTER COMMENTED THAT JOE O'DONNELL, WHO IS HANDLING ENGLISH LOAN FOR TREASURY DEPARTMENT, SAYS HE DOES NOT THINK LOAN WILL BE GRANTED. O'CONNELL IDENTICAL JOSEPH J. O'CONNELL, GENERAL COUNSEL, DEPARTMENT OF TREASURY.

CONFIDENTIAL INFORMANT ADVISED ONE JULIA MCKENNY, PHONETIC, CONTACTED REMINGTON CONCERNING HIS TEACHING PLANS AT WILLIAMS COLLEGE. REMINGTON INDICATED HE WOULD TEACH ONLY TWO TERMS, RETURNING IN SIX MONTHS. HE WILL GO TO WILLIAMS IN JUNE, AND ANNE REMINGTON WILL REMAIN IN WASHINGTON DURING SUMMER. CONFIDENTIAL SOURCE ADVISED ON

END PAGE TWO

65-36963-CONFIDENTIAL

23

47231

CONFIDENTIAL

PAGE THREE

MARCH ONE, UNIDENTIFIED MAN AT SILVERMASTER RESIDENCE REQUESTED EXPRESS COMPANY PICK UP WARDROBE TRUNK FOR SHIPPING CHICAGO. INQUIRY RAILWAY EXPRESS DISCLOSED TRUNK SHIPPED TO ADDRESSEE, NORMAN BURLER, LAW SCHOOL, UNIVERSITY CHICAGO CHICAGO ILL. REQUEST MADE OF CHICAGO DIVISION TO MAKE SUITABLE INQUIRY CONCERNING TRUNK. CONFIDENTIAL SOURCE ADVISED EVENING MARCH ONE, HERBERT RESNER, WELL KNOWN COMMUNIST FIGURE, SAN FRANCISCO AND SUBJECT INTERNAL SECURITY C CASE THAT OFFICE. CONTACTED MRS. SILVERMASTER AND INVITED HER AND SUBJECT SILVERMASTER TO HIS ROOM IN HOTEL STATLER. PREVIOUS INQUIRY THIS OFFICE HAD DISCLOSED RESNER HERE TO PARTICIPATE IN ARGUMENT BEFORE SUPREME COURT, AND INDIVIDUAL DOTTY, BELIEVED HIS WIFE, HAD BEEN IN COMPANY HARRIET BOUSLOG, NMU, RESNER AND WIFE REGISTERED STATLER HOTEL MARCH ONE AND TWO, DEPARTING NINE AM MARCH TWO, ENROUTE LEXINGTON HOTEL NYC, WHERE PLANNED REMAIN UNTIL MARCH EIGHT. CONFIDENTIAL INFORMANT ADVISED THAT NINE TEN AM SATURDAY, MARCH TWO, HENRY MORGENTHAU JR. NYC, CONTACTED SILVERMASTER ADVISING HE PLANNED WEEKLY RADIO PROGRAM AND SOLICITED ASSISTANCE OF SILVERMASTER FOR FACTS AND SCANDAL IN WASHINGTON. MORGENTHAU INDICATED CHARLES MALCOLMSON, FORMERLY PUBLICITY MAN, DEPARTMENT OF JUSTICE WILL WORK FOR HIM IN WASHINGTON. MALCOLMSON WAS RECOMMENDED TO MORGENTHAU BY BOB ALLEN AND HE HAD CHECKED AND FOUND HIM RELIABLE. MORGENTHAU SUGGESTED MALCOLMSON GET IN TOUCH WITH SILVERMASTER WHO PROMISED TO AID HIM ALSO. MORGENTHAU IS INTERESTED IN LEARNING ABOUT SALE SURPLUS PROPERTY., PARTICULARLY AS IT AFFECTS VETERANS AND BOTH AGREED THEY ARE INTERESTED IN VETERANS

END PAGE THREE

(c)
b1

(c)

PAGE FOUR

MORVENTHAU ALSO REQUESTED SILVERMASTER TO ADVISE ULLMANN OF HIS PURPOSES, INDICATING THAT THEY COULD ALSO THINK OF HIM AS AN OUTLET AND A CRUSADER FOR THEM. MORGENTHAU ADVISED IN FOREIGN FIELD HE HAS EMILE DESPRES WORKING HALF TIME FOR HIM AND TEACHING AT WILLIAMS COLLEGE OTHER HALF. STATED DESPRES FURNISHED STUFF HE SAID ABOUT ARGENTINE AND FRANCO. DESPRES LISTED IN CONGRESSIONAL DIRECTORY, AUGUST NINETEEN FORTYFIVE, AS CONNECTED OFFICE OF SECRETARY OF STATE. MORGENTHAU ASSURED SILVERMASTER THAT HIS FRIEND, HENRIETTA KLOTZ IS ONLY PERSON OPENING HIS MAIL. THEY DISCUSSED TREMENDOUS PRICES OF FARMS FOR VERTANS AND MORVENTHAU STATED GOVT COULD PURCHASE LARGE TRACT WITH CENTRAL DAIRY AND POULTRY HOUSE, SUCH AS ONE AT FLORENCE, ARIZONA. HE INDICATED IT WOULD BE CALLED COMMUNISTIC BUT IS THE ANSWER. SILVERMASTER STATED HE INITIALED THAT PROJECT. MORGENTHAU INDICATED HE WOULD VISIT WASHINGTON COUPLE TIMES MONTHLY AND WILL WANT TO SEE SILVERMASTER. STATED HE PLANNED HAVING ENOUGH COURAGE TO TAKE ON FIGHT OF LOW INTEREST RATES AGAINST INSURANCE COMPANIES. SILVERMASTER ADVISED MORGENTHAU HE AND ULLMANN WOULD HELP HIM, AND MORGENTHAU WANTED SILVERMASTER TO TELL ULLMANN HE WOULD BE GLAD TO USE ANY OF THE STUFF ULLMANN RETURNED FROM GERMANY. CONFIDENTIAL INFORMANT ADVISED ON MARCH THREE, HELEN TENNEY ADVISED ONE JEAN THAT TENNY IS GOING TO NEW YORK CITY FRIDAY. JEAN IS GOING SATURDAY, AND BOTH WILL TRY AND RETURN THREE THIRTY TRAIN SUNDAY, APPARENTLY REFERRING CURRENT WEEK. CONFIDENTIAL SOURCE ADVISED ON LATE EVENING MARCH TWO, JOE FREEMAN, TREASURY DEPARTMENT CONTACTED HARRY WHITE CONCERNING [REDACTED]

END PAGE FOUR

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CONFIDENTIAL

PAGE FIVE

NEGOTIATIONS WITH SWISS. HE INDICATED RANDOLPH PAUL HAD
INQUIRED OF ORVIS, BELIEVED ORVIS A. SCHMIDT DIRECTOR
FOREIGN FUNDS CONTROL, AND FREEMAN. HE INDICATED THERE IS ONE
ISSUE IN WHICH HE AND ORVIS ARE IN DISAGREEMENT AND DESIRED
CONFERENCE WITH WHITE.

79
HOTTEL

ED

ACK PLS

W A CUFO R 1 BA

NY GS - NFO R 1

CONFIDENTIAL

United States Department of Justice
Federal Bureau of Investigation
New York, N. Y.

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Mr. [unclear]	

PERSONAL AND CONFIDENTIAL 3985

February 20, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Director, FBI
2/8/88
2042 P 4/DIC

Re: NATHAN GREGORY SILVERMASTER,
with aliases, et al;
ESPIONAGE - R
OLGA BORISOVNA PRAVHINA

Classified by 30424
Declassify on: OADR
b7c

Dear Sir:

The services of Confidential Informant [redacted]

[redacted] in the above-captioned case.

This informant has furnished considerable information of value.
The informant advised of [redacted]

[redacted]

Efforts are being made to identify other individuals [redacted]

[redacted]

Very truly yours,

E. J. Conroy
E. J. CONROY,
SAC

JFG:RAA
65-14603

RECORDED
INDEXED
EX-100

165-56403-55
19 MAR 1946

CONFIDENTIAL

58 MAR 18 1946

SECRET

INVESTIGATION
DEPARTMENT OF JUSTICE
IDENTIFICATION SECTION

CONFIDENTIAL

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Rosen
- Mr. Tracy
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

JAN 28 1946

Declassify on: OADR
TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

*no action
1/28/46*

WASHINGTON 3 AND NEW YORK 2 FROM WASHINGTON FIELD

DIRECTOR AND SAC

URG

Declassify on: OADR

NATHAN GREGORY SILVERMASTER, WAS, ET AL, ESPIONAGE R. [CONFIDENTIAL SOURCE

ADVISED THAT EDWARD FITZGERALD CONTACTED BEATTIE MAGDOFF, WIFE OF HARRY

S. MAGDOFF, ON [REDACTED] JANUARY TWENTYSIX, AT WHICH TIME FITZGERALD

STATED THAT HE WOULD SEE THE MAGDOFFS THIS COMING FRIDAY AND SATURDAY

NIGHT. IT WAS INDICATED THAT FITZGERALD AND THE MAGDOFFS WOULD BE AT A

PARTY TO BE [REDACTED] GIVEN AT THE RESIDENCE OF FEROL M. CORNELISON ON

SATURDAY NIGHT NEXT. CONFIDENTIAL SOURCE STATED THAT [REDACTED]

[REDACTED]

[REDACTED] CONFIDENTIAL SOURCE ADVISED THAT HAROLD WILSSER RETURNED TO b1

WASHINGTON THIS MORNING FROM DENVER, COLORADO. CONFIDENTIAL SOURCE

ADVISED THAT ROSE GREGG, WIFE OF JOSEPH GREGG, STATED THAT JOSEPH GREGG

WOULD GO TO NEW YORK CITY ON THURSDAY NEXT TO HAVE ANOTHER APPOINT-

MENT WITH A DENTIST, THAT THIS WOULD PROBABLY BE GREGGS LAST TRIP

TO THE DENTIST SINCE HIS [REDACTED] DENTAL WORK [REDACTED] COMPLETED. CONFIDENTIAL

SOURCE ADVISED THAT HARRY MAGDOFF RETURNED TO WASHINGTON IN JANUARY

TWENTYSIX FROM CLEVELAND, OHIO, WHERE HE SPOKE AT A [REDACTED]

CONVENTION ON WAGES AND PRICES. CONFIDENTIAL SOURCE ADVISED THAT

SUBJECTS MILBERG, WHITE AND SILVERMAN SEPARATELY INTENDED TO ATTEND

57 MAR 18 1946
END PAGE ONE

SECRET **CONFIDENTIAL**

PAGE TWO

~~SECRET CONFIDENTIAL~~

OVER LAST WEEKEND SHOWING OF RUSSIAN PICTURES QUOTE ~~X~~ YANYA UNQUOTE AND
QUOTE ~~X~~ ADVENTURE IN BOKHARA UNQUOTE, SHOWING AT THE HIPPODRONE
THEATRE. ON JANUARY TWENTYSIX CONFIDENTIAL INFORMANT INDICATED ~~REDMONT~~
TOLD FRIEND HE WAS GOING AWAY MONDAY, PROBABLY ON SAME TRAIN WITH
DICK AND IRVING, APPARENTLY RELATIVES WHO WERE IN ~~REDMONT~~ TOWN.
DESTINATION BELIEVED NEW YORK. ~~X~~ CONFIDENTIAL SOURCE ADVISED OTTO ~~X~~ SAUL,
PHONETIC, CONTACTED MRS. SILVERMASTER ON JANUARY TWENTYFIVE. ENGAGED
IN LONG CONVERSATION. STATED HAD BEEN IN MOSCOW AND POTSDAM AND
INDICATED MADE SOME NICE CONNECTIONS. SAUL STATED HE RECEIVED CALL
FROM WAR DEPARTMENT INQUIRING FOR A PUBLIC ~~REDMONT~~ RELATIONS MAN WITH
CIVIL AFFAIRS COMMITTEE IN GERMANY WHO COULD SPEAK RUSSIAN. ~~REDMONT~~
~~REDMONT~~ SAUL STATED HE HAD IN MIND JACK ~~X~~ MARSALKA AND THE ~~X~~ DISCUSSED
DIFFICULTIES MARSALKA HAD PREVIOUSLY, AGREEING HE WAS VICTIM OF
MISCARRIAGE OF JUSTICE. REFER TO MY TELETYPE JANUARY TWENTYFIVE LAST
CONCERNING SETH ~~X~~ GEER. THIS INDIVIDUAL BELIEVED IDENTICAL WITH JOSEPH
GAER, ALIASES, JOSEPH ~~X~~ FISHMAN, ELY YOSSEF ~~REDMONT~~ FISHMAN, JOSEPH
GRASSMAN, PRESENTLY WITH PAC. GAER INVESTIGATED BY BUREAU IN NINETEEN
FORTY FOUR FOR EMPLOYMENT OEM. INVESTIGATION DISCLOSED HE WAS A
COMMUNIST OR FORMER COMMUNIST. DICK AND ELIZABETH ~~X~~ SASULY AND IZZY
CALKINS, PHONETIC, VISITED SILVERMASTERS OVER WEEKEND AND WERE QUOTE ~~X~~

PAGE TWO

~~SECRET CONFIDENTIAL~~

19

PAGE THREE

~~CONFIDENTIAL~~

SHOWED IN UNQUOTE ACCORDING TO CONFIDENTIAL INFORMANT. CONFIDENTIAL

SOURCE ADVISES ON JANUARY TWENTYSIX ONE LIZZY, BELIEVED ELIZABETH

SASULY, INFORMED MRS. SILVERMASTER HAD PARTY PREVIOUS NIGHT FOR CONGRESSMAN WHICH WAS STRICKLY BUSINESS. SHE INDICATED COFFEE AND SAVAGE OF WASHINGTON, BOWEN, CHICAGO, GEELAND, CONNECTICUT, LAND, OHIO, AND WEBB OF MICHIGAN, WHO IS IN WASHINGTON WITH R. J. THOMAS WERE ALL PRESENT. SHE AND MRS. SILVERMASTER AGREED COFFEE IS NICE.

ABOVE NAMES PHONETIC. WHITES APPRAENTLY INTEND VISITING NEW YORK SOON. MRS. WHITE DECLINED INVITATION FEB. NINE, INDICATING THEY PLANNED VISITING NEW YORK THAT WEEK.

HOTTEL

END

ACK LPLS

WA S

WA PLS ANNOUNCE

WFO R 3 WA

NY WFO R2 NY VV

cc: m. whitson

~~CONFIDENTIAL~~

15

~~SECRET~~

Office Memorandum • UNITED STATES GOVERNMENT

~~STRICTLY CONFIDENTIAL~~

TO : THE DIRECTOR

DATE: March 8, 1946

FROM : MR. LADD

~~SECRET~~ ~~CONFIDENTIAL~~

SUBJECT: NATHAN GREGORY SILVERMASTER, WAS; ET AL 63983

- Mr. Tolson
- Mr. E.A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Miss Nease
- Miss Gandy

3042/pwt/jcs
5 22 87
6218-10
Classified by: [handwritten]
Declassify on: OADR
[handwritten initials]

TIME OF CALL: 3:15 PM 3/8/46

At the above time Special Agent Edward W. Doolley of the New York Office, calling for Supervisor James J. Ryan, in the New York Office telephonically advised W. K. Harvey that Mary Jane Keeney, wife of Philip O. Keeney, entered the Port of New York today aboard the SS MIT Victory, returning from Europe where she has been serving as a member of the staff of the Allied Commission of Reparations. In view of the fact that she was traveling under an official U. S. Passport by virtue of her employment, Customs in New York declined to make any search of her baggage although requested to do so by the New York Office.

Philip O. Keeney, who is presently in Tokyo as a representative of the State Department (formerly FEA), is known to be an extremely close associate of the subjects in the above case. He has practically lived at the home of the Silvermasters and [redacted] b1

In addition, Mary Jane Keeney is known to have been in close contact with subjects in the above investigation and both of the Keeneys have long been involved in Communist activities. [handwritten initials]

The New York Office has ascertained that prior to her arrival, Mary Jane Keeney dispatched a letter to Ursula Wasserman who, on the basis of recently developed information, is closely associated with the above case and possibly with the Arthur Adams case, in view of the fact that Adams' address, name and telephone number were in Wasserman's possession when she sailed from New York City to Argentina on March 6, 1946. Wasserman apparently is the mistress of Jules Korchein, a close associate of Abe Brothman. Both Brothman and Korchein on the basis of recent investigation appear to be deeply involved in the above case and in Communist-Soviet activities generally. RECORDED

INDEXED 65-56402-555
The letter from Mary Jane Keeney to Ursula Wasserman was opened by Jules Korchein who met Keeney at the boat today and immediately drove her to Ursula Wasserman's apartment with her baggage at 110 Christopher Street, New York City, the address of an apartment house. Mary Jane Keeney and her baggage and personal effects are now in this apartment of Ursula Wasserman, to which Jules Korchein has keys.

The New York Office has ascertained the [redacted] b1

WKH/dm

50 MAR 14 1946

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~~SECRET~~

~~CONFIDENTIAL~~

[handwritten initials]

16

63984 ~~SECRET~~

~~CONFIDENTIAL~~



The New York Office strongly recommends that authority be granted for the utilization of this confidential informant, and surveillances on Korchein and Mary Jane Keeney in order to completely assure the security of this informant.

ACTION:

On the basis of the recently developed information and the prior investigation of this case, it appears that Korchein, Wasserman and the Keeneys are all of considerable importance in connection with this investigation.

Consequently, it is recommended that approval be granted for the utilization of this informant and for the placing of the two noted necessary physical surveillances.

It should be noted that in order to properly arrange the utilization of this informant and the necessary surveillances in connection therewith, the New York Office must be advised of Bureau approval not later than 5:00 PM today, March 8, 1946.

It is requested that this procedure be authorized and the New York Office telephonically advised of such authorization as soon as possible.

*3/8/46
I called NY
sh GR.
di*

~~CONFIDENTIAL~~

~~SECRET~~

14
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

CC-150

SECRET

To: COMMUNICATIONS SECTION.

March 8, 1946 *du*

SAC, NEW YORK

63982

b1

Transmit the following message to:

NATHAN GREENBERG SILVERMASTER, WAS, ET AL, ESPIONAGE R, REFER FIVE IS.

URGENT MARCH ONE LAST.

[REDACTED]

pb

b1

Classified by *AS 214*
Declassify on: OADR *1/5/83*

3042/wsl/bpc
2/8/88

HOOVER

Classified by *6676*
Date of declassification *9/20/77*

2330-3100

Classification
29-77 1976

RECORDED & INDEXED

56-112-556
MAR 12 1946

WHILE

ke

SENT VIA _____ M Per _____

SECRET
du

13

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: March 8, 1946

FROM : SAC, Charlotte

SUBJECT: NATHAN GREGORY SILVERMASTER, was, et al
ESPIONAGE - R

Reference is made to Bureau letter dated February 5, 1946, and also to a letter from New York to the Bureau dated November 27, 1945, which states in the last paragraph that MARY PRICE was allegedly engaged in Russian espionage activity.

It is requested that the Bureau and the New York Office, which is receiving copies of this memorandum, furnish the Charlotte Office with all the background information which they have which will be of help in continuing investigation in this district to determine if MARY PRICE is engaged in espionage activities. This information would be very helpful in conducting an intelligent investigation here.

~~CONFIDENTIAL RECORDS~~ *adm*

*2/8/88
3042 fwt/Djc*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/2/83 BY SP5 RJA/ST

cc New York
65-1280
RFV:mec

*ack'd 4-9-46
FBI*

[Handwritten signature]

RECORDED
&
INDEXED
EX-67 115

65-56402-557
FBI
MAR 12 1946

*Letter Charlotte
4-7-46
[Signature]*

[Handwritten signature]

[Handwritten signature]

CONFIDENTIAL

REGISTERED MAIL
PERSONAL AND CONFIDENTIAL

April 2, 1946

SAC, Charlotte

John Edgar Hoover - Director, Federal Bureau of Investigation

CORDE

NATHAN GREGORY SILVERMASTER, was et al

63978

MEMORANDUM

EX - 40

ESPIONAGE - R
(Mary Wells Price)

DECLASSIFIED BY
Declassify on: OADR

5-56402-557

Reference is made to your letter dated March 2, 1946, in which you requested that your office be furnished with background information concerning Mary Price and her connections with instant investigation.

The investigation concerning Nathan Gregory Silvermaster and others was instigated upon information received from a Bureau informant referred to hereinafter as Gregory, who during the 1930's in New York City was connected with various Communist organizations and later from 1940 until December, 1944, acted in the capacity as a courier for Jacob M. Golos, a known Russian espionage agent. Gregory acted as a courier for Golos until his death on November 27, 1943, and thereafter contacted other Russian agents known to Gregory only by their first names, two of whom have been identified as Mrs. Olga Frevkina, a former employee of Amtorg Trading Corporation, New York City and wife of the head of Tass News Agency, New York City, and the other Anastai Boresevich Gromov, First Secretary of the Soviet Embassy, Washington, D. C. Gromov has been reported as a successor to Vassili M. Eubilin, reported head of the NKVD in North America until the late summer of 1944 when he returned to Russia. Gromov returned to Russia on December 7, 1945. His duties at the Soviet Embassy have been taken over by Fedor A. Guruzin, an official of the Soviet Embassy in Washington, D. C.

Gregory's regular service as a courier began during the summer of 1941 when Gregory came in contact with a parallel of Soviet espionage headed by Nathan Gregory Silvermaster who was at that time and is still residing in Washington, D. C., and who has held several positions in the United States Government in the past. Silvermaster is presently chief of the Division of Economic Analysis of the War Assets Corporation, Washington, D. C. According to the informant, Silvermaster and his wife, Helen, were in turn in contact with many other individuals in the U. S. Government from whom they secured material and made it available to Gregory for transmittal to Golos in New York City. This material was delivered to the informant in the form of written reports, actual documents, exposed but undeveloped film, and verbally requiring its recording in shorthand which the informant later transcribed. The informant was eventually placed in contact with another parallel of Soviet espionage headed by Victor Fable in Washington, D. C. Gregory acted as a courier for the collection of information of interest to the Soviet Government from members of the Fable group and delivered it in the same manner to Golos.

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

COMMUNICATIONS SECTION
 FILED 3 ON
 APR 5 1946 P.M.
 1946
 U.S. DEPARTMENT OF JUSTICE

DECLASSIFIED BY 3042 *pet/ste*
 2/8/88

CONFIDENTIAL

APR 24 1946

~~CONFIDENTIAL~~

Concerning the activities of Mary Wolfe Price, alias Mary Watkins Price, in connection with this case, Golos told the informant that he was interested in the activities of Walter Lippman and his contacts and any information that Lippman might have in his possession. Golos said he was acquainted with Mary Price, who at that time was the secretary of Walter Lippman, and he said that Mary Price had agreed to furnish him with all of the information she could obtain concerning the type of material Lippman was writing as well as other information concerning Lippman's activities. Through Golos the informant was introduced to Mary Price. At the time of this meeting the informant was given a code name, and it was indicated that this name would serve as a cover and the party to whom correspondence was directed would forward it to the informant under the code name if it bore the return address of Mary Price. Arrangements were made between Gregory and Mary Price for future meetings every two weeks, one of which would be in Washington, and the other in New York City. On the occasion of their first meeting in Washington Mary Price furnished Gregory with a large envelope which contained copies of letters and correspondence between Walter Lippman and individuals with whom he was corresponding. This envelope was then turned over to Golos by the informant. Later information was turned over directly to Golos by Mary Price in New York City. This arrangement continued with little interruption until December of 1942, at which time Mary Price became ill and moved to New York City. Later in April, 1943, she returned to Washington and was employed again by Walter Lippman and continued to pass on information until June of 1943, at which time she resigned her position with Lippman.

The informant established contact with Maurice Halperin and Willard Park, both subjects in instant case in Washington, D. C. During one of Jacob Golos' trips to Washington he met Halperin and Park at the home of Mary Price, and at that time made arrangements with them to be supplied with certain information to which they had access. Later Halperin and Park began supplying Golos with various information and made it available to him through Mary Price. Another individual whom Mary Price contacted on behalf of Golos was Lieutenant Colonel Duncan C. Lee who was connected with OSS in Washington, D. C.

While in Washington, D. C., Mary Price resided at 2038 I. Street, N. W. For a period of time with Helen Tenney, an employee of OSS and also a subject in instant case, and later took over Tenney's apartment at that address. Another known contact of Mary Price in Washington was Michael Greenberg.

Some time after June, 1943, Earl Browder advised the informant that he desired to meet some of the people whom the informant had been contacting and shortly thereafter Browder was introduced to Mary Price and Joseph Gregg, another subject, at Mary Price's apartment in New York City. This was the first

~~CONFIDENTIAL~~

63980

~~CONFIDENTIAL~~

meeting between Mary Price and Browder, and after they conferred for some time Mary Price told the informant that she had indicated to Browder that she desired to get out of the whole business and that he had stated he would let her know. A few days later Earl Browder informed Gregory that he had decided to allow Mary Price to get out of the business and that the informant was to call her accordingly.

Background

Mary Wolfe Price was born March 3, 1909 at Madison, North Carolina. She received her university education from 1926 to 1930 at the University of North Carolina. Mary Price's employment includes numerous private enterprises and it is noted that she was employed from June 1939 to June 1943 by the New York Herald Tribune, and from June 1943 to January 1945 by the McCraw-Hill Publishing Company on the editorial staff of the publication "Business Week." It is noted that during her employment with the New York Herald Tribune she was also a stenographer for Walter Lippman who maintains a Washington Contract for the New York Herald Tribune. It is further noted that Mary Price, in March, 1945, was appointed director of the Legislative and Educational Department of the United Office and Professional Workers of America.

Mary Price's sister, Mildred Price, is now Mrs. Harold Coy. Mildred Price is a known member of the Communist Party and is confidentially reported to have done research work for the Communist Party for over a period of ten years. Through a confidential source it was determined that Mary Price is a known contact of Louise Brunson who reportedly was the mistress of Gregori Khalfets, prominent NKVD agent on the West Coast at one time.

Through a confidential source it was determined that in 1940 the names Mary and Mildred Price appeared as members of the Washington Committee for Democratic Action which organization has by various sources been reported to be a Communist front organization. It was further determined through the same source that the name Mary Price appeared as a member of the Capital City Forum, which organization maintained its headquarters in the same office with the Socialist Party in the District of Columbia. A confidential source has indicated that Mary Price is known to be an associate of Helen Tenney, an individual who has been identified with this investigation and also with Donald Henderson of Philadelphia, Pennsylvania, who is National President of the Food, Tobacco, Agricultural and Allied Workers Union of America, CIO, and who is reported to be closely associated with important Communists in the United States. It has also been ascertained that Brunson Price is the brother of Mary Price and it is noted that Brunson Price, during 1942, was the subject of a Hatch Act investigation. He has been reported by confidential

~~CONFIDENTIAL~~

12

63981

~~CONFIDENTIAL~~

sources to be a member of the Washington Committee for Democratic Action, and a Washington organizer for the Washington Peace Mobilization which organizations have from various sources, been reported to be Communist front organizations.

Results of Investigation

During the course of the investigation it has been determined that Mary Wolfe Price is presently residing in Greensboro, North Carolina, and is serving as secretary-treasurer of the North Carolina Committee of the Southern Conference for Human Welfare.

According to a confidential source it is known that on December 10, 1945, James Hibben endeavored to contact Mary Price. This individual is believed identical with James Herbert Hibben who was associated as Chief of the Chemical Division, United States Tariff Commission and who, according to confidential sources was reported to have performed services for the Amtorg Trading Corporation to influence the securing of men to fill technical positions in the USSR. This individual has also been reported to have attempted to procure files and reports from the Army-Navy Munitions Boards and to have attempted to obtain other confidential information on explosives, all of which was outside of the scope of his jurisdiction. A confidential source advised that Hibben was acquainted with Russian Ambassador Constantin Gomanzky and expressed the opinion that Hibben would aid Russia even though it is to the extent of harming the United States. This source stated that Hibben had, on several occasions, taken confidential files of the Chemical Division, United States Tariff Commission, to his home in violation of the Commission rules.

During the December holidays in 1945 Mary Price visited her sister and other individuals in New York City, and on approximately January 1, 1946, returned to Greensboro, North Carolina where she remains at the present time.

This investigation is being handled in a highly discreet and circum-spect manner by the Bureau in an effort to determine if the individuals who are acting for Gales and the Russians are presently engaged in Soviet espionage activities. Every effort should be made to utilize the services of confidential informants, technical surveillances, and mail covers in order to fully develop the activities of subjects. The Charlotte Field Division is authorized to place a sixty day mail cover on the address or addresses of Mary Wolfe Price, and should the Charlotte Field Division desire technical coverage on the residence or business telephone of Mary Price the Bureau, of course, should be requested to furnish necessary authority to utilize this service. All information developed concerning the activities of Mary Price should be immediately forwarded to the Bureau. No information concerning this case should be furnished to any outside agency without prior Bureau authority.

CC: New York

C 4

~~SECRET~~

TELETYPE

~~CONFIDENTIAL~~
Mr. Egan
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

3042
4/4/38
Classified by 60549
Declassify on: OADR
4/10/38
3/1/46

WASH 82 WASH FIELD FROM NEW YORK

63975

DIRECTOR AND SAC URGENT

NATHAN GREGORY SILVERMASTER, WAS, ETAL. ESPIONAGE R. ON FEBRUARY TWENTY EIGHTH, FORTY SIX, A CONFIDENTIAL SOURCE ADVISED THAT JACK PERILLA CONTACTED DR. A. B. WEINSTEIN AND MADE AN APPOINTMENT TO SEE HIM. THE NY FILES REFLECT THERE IS A CASE FILE ON JACK PERILLA, WAS JACK BARTON, JACK KELLY, BART LOGAN, JACK MARTIN, JACK PARKER, JACK LOGAN, JACK PERROLIO, AND JACOB LEONARD PERILLA. PERILLA RESIDES AT FORTY THREE DASH THIRTY TWO, FORTY SEVENTH ST., LONG ISLAND CITY. HE WAS FORMERLY CIRCULATION MANAGER FOR THE DAILY WORKER, AN INSTRUCTOR IN THE COMMUNIST PARTY SCHOOLS, WORKED IN THE PROFINTERN, MOSCOW, MADE CIRCUIT OF US IN JAN., NINETEEN FORTY, INSTRUCTING CP LEADERS ON HOW TO PROTECT THEMSELVES AGAINST FEDERAL AND STATE PROSECUTION, REPORTED TO BE ONE OF THE MOST DANGEROUS COMMUNISTS IN THE US AND

[REDACTED] WAS HEAD OF RED DEFENDERS CORPS SET UP BY CP IN NY, HAS BEEN IN CP SINCE WILLIAM FOSTER FORMED TRADE UNITY LEAGUE IN CLEVELAND, OHIO, WAS CAMPAIGN MANAGER OF CP IN NY IN NINETEEN THIRTY, WROTE FOR PAPER "PARTY ORGANIZER" IN NINETEEN

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MAR 19 1946
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30 MAR 18 1946

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THIRTY TWO, KNOWN AS CP AGITATOR IN BIRMINGHAM, ALABAMA, [REDACTED]
 [REDACTED] RETURNED FROM MOSCOW
 IN NINETEEN THIRTY FOUR, ARRESTED IN BESSEMER, ALABAMA, AFTER HOME WAS
 RAIDED AND LARGE AMOUNT OF CP LITERATURE FOUND. ALSO ARRESTED IN RAID
 IN ATLANTA, GEORGIA, NINETEEN THIRTY SIX. CONTACT OF STEVE NELSON
 AND ANDREW RUDOLPH [REDACTED], LEADING FUNCTIONARY OF PARTY IN CONNECTICUT.
 EMPLOYED BY PROMPT PRESS, NYC. WEINSTEIN'S SECRETARY GAVE FOLLOWING
 CABLEGRAM TO WESTERN UNION TODAY FOR TRANSMITTAL TO TED BAUMGOLD,
 CENTURY HOTEL, ANTWERP, BELGIUM. " HAVE BEEN ILL. HENCE DELAY. WRITE
 ME IMMEDIATELY PRESENT SITUATION." THE CABLE WAS SIGNED ABE. NYC INDICES
 NEGATIVE FOR BAUMGOLD. REBURTEL JAN. TWENTY FOURTH CONCERNING [REDACTED]

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FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 6 1946

TELETYPE

WASH 25 WASH FIELD 4 FROM NEW YORK 6

DIRECTOR AND SAC URGENT

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/13 BY 505 ag

NATHAN GREGORY SILVERMASTER, WAS, ETAL. ESPIONAGE R. CEDRIC BELFRAGE
AND AMAN IDENTIFIED AS LUTHER CONANT, A RESIDENT OF NYACK NY AND AN OWI
EMPLOYEE, OBSERVED ENTERING OFFICES OF ROEHL LITHOGRAPH COMPANY, INC.,
NYC MARCH FOURTH. BELFRAGE SURVEILLED TO ONE TWO ONE MADISON AVENUE,
WHERE HE ATTEMPTED TO SEE A MRS. BRANDT. IN HER ABSENCE BELFRAGE LEFT A
NEWSPAPER PRINTED IN GERMAN FOR HER. INQUIRY REVEALED Z. C. BRANDT
LIVES AT ABOVE ADDRESS. NY FILES INDICATE ZELMA BRANDT AFFILIATED
WITH LEAGUE OF AMERICAN WRITERS, A COMMUNIST FRONT ORGANIZATION. FILES
ALSO REFLECT LUTHER CONANT, AGE THIRTY FOUR, US CITIZEN, GOVERNMENT
EMPLOYEE, ARRIVED NYC AUGUST TENTH, FORTY FIVE, ABOARD ATC PLANE.
CONANT REPORTEDLY ATTENDED "PM" MEETING JUNE TWELFTH, FORTY TWO, INITIAT-
ING A NEWSPAPER CAMPAIGN TO DISCREDIT OWI AND G TWO AND TO SHOW THAT
PERSONNEL OF THESE AGENCIES IS ANTI-SEMITIC. THE SS SERGEI KIROV ARRIVED
CLAREMONT TERMINAL, BAYONNE NJ MARCH FOURTH AND IS NOW LOADING. IT IS
SCHEDULED TO DEPART FOR RUSSIA MARCH ELEVENTH OR TWELFTH. ARRANGEMENTS
HAVE BEEN MADE WITH US CUSTOMS FOR A SEARCH OF OLGA PRAVDINAS LUGGAGE.
CUSTOMS AUTHORITIES WILL SEARCH LUGGAGE OF PERSONS WITH DIPLOMATIC IMMUN-
ITY AT REQUEST OF THE BUREAU, BUT ARE RELUCTANT TO DO SO. BUREAU RE-
QUESTED TO ADVISE WHETHER PRAVDINA HAS DIPLOMATIC IMMUNITY SO THAT AGENTS

WILL HAVE BENEFIT OF THIS INFO IN ADVANCE.

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65-56402-559

30 MAR 18 1946

MAR 10 1946

Teletype 7:29 C
to Providence
6/3/46

F. J. Conroy

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PAGE TWO

CONFIDENTIAL SOURCE ADVISED THAT ABRAHAM BROTHMAN DISCUSSED WINSTON CHURCHILLS SPEECH OF YESTERDAY WITH ONE GERTRUDE, WHO ATTACKED THE SPEECH AS FASCIST PROPAGANDA, ETC. BROTHMAN SAID, " ALL THIS IS SOUND AND FURY IN CANADA AND THE US. THROUGHOUT THE CAPITALIST WORLD TODAY IS FULL KNOWLEDTE THAT THEY CANNOT UNDERTAKE A WAR AGAINST THE SOVIET UNION. THEIR OWN POPULATIONS WOULD NOT FOLLOW THEM. THE WORLD IS ON FIRE. THE PRESTIGE OF THE BRITISH EMPIRE AND OF AMERICA HAS FALLEN SO SHARPLY WITHIN RECENT WEEKS, IT HAS BEEN SO CLEARLY DEMONSTRATED THAT THESE COUNTRIES ARE IMPERIALIST AND OUT FOR THE SOLE PURPOSE OF ENSLAVING THE REST OF THE WORLD." BROTHMAN CONTINUES IN THIS VEIN, COMPLETELY RATIONALIZING ACTIVITIES AND ATTITUDE OF RUSSIA WHILE CONDEMNING THE US. RE WFO TEL OF MARCH FIFTH. WHITEHALL FOUR DASH SIX SEVEN TWO ONE IS LISTED TO NATIONAL AIR CARGO CORPORATION, FIFTEEN PARK ROW, NYC. WFO REQUESTED TO EXPEDITE FORWARDING PICTURE OF HELEN TENNEY TONYC.

CONROY

WA ACK AND HOLD PLS

WFO ACK AND DISC PLS

WA AY NY R 25 WA

WFO NY R 4 WFO

cc: Mr. Harvey

MAR 7 1946

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

WASHINGTON 3 AND NEW YORK 2 FROM WASH FIELD

DIRECTOR AND SAC URGENT CONFIDENTIAL

NATHAN GREGORY SILVERMASTER, WAS, ET AL, ESPIONAGE R. ON MARCH FIVE,

CONFIDENTIAL INFORMANT ADVISED HENRY COLLINS PLANNED TO MEET SUBJECT

GOLD AT LATTERS OFFICE. PHYSICAL SURVEILLANCE DISCLOSED GOLD WAS NOT ME

AT OFFICE, BUT PICKED UP SONIA GOLD AT ENTRANCE TREASURY BUILDING

THEN PROCEEDED TO LOBBY OF WILLARD HOTEL WHERE MET MAJOR US ARMY, WEAKI

LARGE A ON LEFT SHOULDER. THE THREE THE PROCEEDED HARVEYS RES-

TUARANT WHERE SURVEILLANCE DISCONTINUED. MAJOR BELIEVED HENRY COLLINS,

SUBJECT HATCH ACT INVESTIGATION THIS OFFICE WITH KNOWN COMMUNIST

TENDENCIES. CONFIDENTIAL INFORMANT ADVISED SUBJECT FITZGERALD

CONTACTED MAGDOFF AND DISCUSSED THEIR POSITIONS. BOTH APPRAENTLY

DISSATISFIED WITH JOBS. FITZGERALD INDICATED HE COULD NOT GET

UPSTAIRS IF MAGDOFF LEFT. SUBSEQUENTLY MAGDOFF CONTACTED NYC

OLI TWO NINE FOUR TWO TWO, POSSIBLY TO MOTHER, INDICATING HE WAS

CONSIDERING CHANGING JOBS. ALSO IN CONVERSATION WITH WIFE, MAGDOFF

INDICATED HE WOULD HAVE TO LEAVE, THEY ARE ACTING VERY QUEER AND HE

MENTIONED THAT GUY KEEPS CALLING HIM EVERY DAY. LAST NIGHT CONFIDENTIAL

SOURCE REPORTED UNKNOWN MAN, LATER IDENTIFIED BY INFORMANT AS ISIDORE

NEEDLEMAN, CONTACTED KAPLAN FROM HOT SHOPPE AT END FOURTEENTH STREET

BRIDGE.. KAPLAN INDICATED HE WOULD PICK HIM UP IMMEDIATELY NEEDLEMAN

ADVISING HE DESIRED TO GO TO NEW YORK THAT NIGHT IF POSSIBLE

58 MAR 27 1946

CONFIDENTIAL

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ENDEAVORED OBTAIN AIR RESERVATIONS AND FINALLY SECURED SLEEPING RESERVATIONS ON B AND O RAILROAD, DEPARTING WASHINGTON ONE AM THIS MORNING.

DURING VISIT,

[REDACTED]

ON MARCH SIX, CONFIDENTIAL SOURCE ADVISED ISHBEL LEE [REDACTED] INDICATED TO FRIEND DUNCAN IS IN PHILADELPHIA WORKING WITH SOMETHING CONNECTED WITH SEC. CONFIDENTIAL SOURCE ADVISED ON MARCH SIX MRS. [REDACTED] MAGDOFF CONTACTED BEADIE VAN TASSEL.

b1

DISCUSSING CHURCHILLS SPEECH, MRS. VAN TASSEL DESCRIBED IT AS TERRIBLE AND REALLY VICIOUS AND STATED CHURCHILL SHOULD BE DEPORTED FOR ABUSING THE HOSPITALITY OF THIS COUNTRY, BECAUSE IN THIRTY EIGHT A RUSSIAN WAS DEPORTED FOR SAME THING. ON EVENING MARCH SIX, HELEN SILVERMASTER CONTACTED SASULY, WHO STATED SHE VISITED HILL TODAY TO INTERVIEW CONGRESSMAN ABOUT CHURCHILLS SPEECH, AND THEY WERE ABOUT HALF AND HALF. HELEN SAYS IN NINETEEN TWENTYSEVEN, CHURCHILL TOLD MUSSOLINI HE WOULD DO AS HE DID IF HE WERE IN HIS PLACE, AND [REDACTED] ASKED IF HE REFERRED TO THIS IN HIS SPEECH. CONFIDENTIAL SOURCE ADVISED ON MARCH SIX, MOLIAKOV INFORMED STATE DEPT. FEDOR PETROVICH BYSTROV WOULD BE OBSERVER FOR SOVIET UNION AT SAVANNAH

END PAGE TWO

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See

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PAGE THREE.
CONFERENCE. IT IS RECALLED THIS INDIVIDUAL IS FRIEND OF WHITE. SAME
SOURCE ADVISED WHITE INFORMED WIFE HE WOULD BE HOME USUAL TIME
TODAY AND TREASURY CAR WOULD PICK HIM UP LATER. INDICATIONS WHITE
DEPARTING WASHINGTON BY TRAIN TONIGHT. *for*
HOTTEL

END

ACK PLS

WA WFO R 3 WA

NY PLEASE ACK AND DISC

WFO R 2 NY

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